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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Pan Sino International Holding Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purpose only and does not constitute any invitation or offer to acquire, purchase or subscribe for shares or other securities of Pan Sino International Holding Limited.

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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)**

**PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON  
THE GROWTH ENTERPRISE MARKET OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED,  
PROPOSED LISTING OF THE ENTIRE ISSUED SHARES OF THE COMPANY ON  
THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
BY WAY OF INTRODUCTION,  
WAIVER OF MINIMUM NOTICE PERIOD IN RESPECT  
OF THE PROPOSED WITHDRAWAL,  
PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND  
PROPOSED ADOPTION OF THE PROPOSED SHARE OPTION SCHEME**

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A letter from the board of directors of Pan Sino International Holding Limited (the “Company”) is set out on pages 5 to 14 of this circular.

A notice convening an extraordinary general meeting of the Company (the “Extraordinary General Meeting”) to be held at Executive Board Room, Millenium Hotel, Jl.K.H. Fachrudin No. 3 Jakarta Pusat, Indonesia on 17th February, 2006 at 10:00 a.m. is set out on pages 23 to 25 of this circular.

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tengis Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least seven days from the date of publication.

\* For identification purposes only

## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which these companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at “[www.hkgem.com](http://www.hkgem.com)” in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Pan Sino International Holding Limited, an exempted company incorporated in the Cayman Islands with limited liability on 16th October, 2002, whose Shares are listed on GEM as at the Latest Practicable Date
“Controlling Shareholder”	has the same meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Proposed Withdrawal becomes effective i.e. on or about 1st March, 2006
“Existing Articles”	the existing articles of association adopted by the Company on 20th November, 2003 (as amended)
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 20th November, 2003
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be held at Executive Board Room, Millenium Hotel, Jl.K.H. Fachrudin No. 3 Jakarta Pusat, Indonesia on 17th February, 2006 at 10:00 a.m., to approve, amongst other things, the Proposed Withdrawal, or any adjournment thereof, the notice of which is set out on page 23 to page 25 of this circular
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange responsible for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Board by the Shareholders at the annual general meeting held on 18th May, 2005 to allot, issue, grant, distribute and otherwise deal with additional new Shares up to twenty per cent of the then issued share capital of the Company, representing 96,000,000 new Shares of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” or “HK dollars”	Hong Kong dollar, the lawful currency of Hong Kong
“Indonesia”	Republic of Indonesia

## DEFINITIONS

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“Introduction”	the proposed listing of the Shares on the Main Board by way of an introduction pursuant to the Main Board Listing Rules
“Latest Practicable Date”	20th January, 2006, being the latest practicable date for ascertaining certain information contained herein prior to the publication of this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange responsible for Main Board listing matters
“Listing Document”	the listing document of the Company dated 27th January, 2006 to be despatched together with this circular in connection with the Introduction
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Main Board
“Mr. Harmiono”	Mr. Judianto Harmiono, the chairman, executive Director and Controlling Shareholder of the Company
“Pre-Migration Placing”	the placing of 160,000,000 new Shares to seven places at HK\$0.3 per share on 25th May, 2005 pursuant to the subscription agreements dated 11th April, 2005
“Pre-IPO Share Option Scheme”	the share option scheme adopted by the Company on 20th November, 2003
“Proposed Share Option Scheme”	the share option scheme of the Company proposed to be adopted at the Extraordinary General Meeting
“Proposed Withdrawal”	the proposed voluntary withdrawal of listing of the Shares on GEM
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%” or “per cent.”	per cent.

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## RESPONSIBILITY STATEMENT

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This circular, 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:

- (i) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (ii) there are no other matters the omission of which would make any statement in this circular misleading; and
- (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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## EXPECTED TIMETABLE

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The expected timetable for the Proposed Withdrawal and the Introduction is set out below:

Despatch of this circular, notice of the Extraordinary General Meeting and the related form of proxy for the Extraordinary General Meeting to the Shareholders . . . . .	Friday, 27th January, 2006
Despatch of the Listing Document in relation to the Introduction . . . . .	Friday, 27th January, 2006
Latest time for lodgement of forms of proxy for the Extraordinary General Meeting . . . . .	10:00 a.m. Wednesday, 15th February, 2006
Extraordinary General Meeting . . . . .	10:00 a.m. Friday, 17th February, 2006
Announcement of results of the Extraordinary General Meeting to be published in The Standard (in English), in Hong Kong Economic Times (in Chinese) and on the GEM website. . . . .	Monday, 20th February, 2006
Last day of dealings in the Shares on GEM . . . . .	4:00 p.m. Tuesday, 28th February, 2006
Withdrawal of listing of the Shares on GEM effective from . . . . .	9:30 a.m. on Wednesday, 1st March, 2006
Dealings in the Shares on the Main Board to commence from . . . . .	9:30 a.m. on Wednesday, 1st March, 2006

*Notes:*

- (1) All times and dates refer to Hong Kong local times and dates.
- (2) Announcement(s) of any change in the expected timetable will be made.

PAN SINO INTERNATIONAL HOLDING LIMITED

環新國際有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8260)

*Executive Directors:*

Mr. Harmiono Judianto (*Chairman*)

Mr. Johanas Herkiamto

Mr. Rudi Zulfian

*Independent non-executive Directors:*

Ms. Novayanti

Mr. Gandhi Prawira

Ms. Goh Hwee Chow, Jacqueline

Ms. Wong Poey Foon, Angela

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681

George Town

Grand Cayman

British West Indies

*Principal place of business  
in Hong Kong:*

26th Floor, Citicorp Centre

18 Whitfield Road

Causeway Bay

Hong Kong

27th January, 2006

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON  
THE GROWTH ENTERPRISE MARKET OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED,  
PROPOSED LISTING OF THE ENTIRE ISSUED SHARES OF THE COMPANY ON  
THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
BY WAY OF INTRODUCTION,  
WAIVER OF MINIMUM NOTICE PERIOD IN RESPECT  
OF THE PROPOSED WITHDRAWAL,  
PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND  
PROPOSED ADOPTION OF THE PROPOSED SHARE OPTION SCHEME**

**BACKGROUND**

On 8th July, 2005, the Company submitted an application to the Stock Exchange for the listing of the Shares on the Main Board by way of introduction and its intention to voluntarily withdraw the listing of the Shares on GEM conditional upon, among other things, the approval of the application for the proposed listing of the Shares on the Main Board by the Listing Committee.

The purpose of this circular is to provide you with information relating to the Proposed Withdrawal, the Introduction, the proposed reduction of the notice period for the Proposed Withdrawal, the proposed termination of the Existing Share Option Scheme and the proposed

\* For identification purposes only



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## LETTER FROM THE BOARD

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adoption of the Proposed Share Option Scheme and to seek your approval of the ordinary resolutions to be proposed at the Extraordinary General Meeting relating to the Proposed Withdrawal, the proposed reduction of minimum notice period for Proposed Withdrawal, the proposed termination of the Existing Share Option Scheme and the proposed adoption of the Proposed Share Option Scheme.

### THE PROPOSED WITHDRAWAL AND THE INTRODUCTION

On 12th July, 2005, the Board announced that the Company had submitted an application to the Stock Exchange for the listing of, and permission to deal in, on the Main Board, (i) the Shares in issue; (ii) 56,000,000 Shares which may fall to be allotted and issued pursuant to the exercise of the outstanding options granted under the Pre-IPO Share Option Scheme; (iii) 80,000,000 Shares, representing 10% of the Shares in issue as at the date on which the Shares were first traded on GEM, which may fall to be allotted and issued pursuant to the exercise of any outstanding options which may be granted under the Existing Share Option Scheme prior to its termination; and (iv) any Shares, representing not more than 10% of the total issued share capital of the Company as at the date of the Extraordinary General Meeting, which may fall to be allotted and issued pursuant to the exercise of the options that may be granted under the Proposed Share Option Scheme. Immediately prior to the listing of the Shares on the Main Board, the listing of the Shares on GEM will be withdrawn.

### Conditions

The implementation of the Proposed Withdrawal and the Introduction will be conditional upon:

- (1) the Listing Committee granting approval for the listing of, and permission to deal in, on the Main Board, the Shares in issue and any Shares which may fall to be allotted and issued pursuant to the exercise of any options which were granted or to be granted under the Pre-IPO Share Option Scheme, the Existing Share Option Scheme, or the Proposed Share Option Scheme to be adopted pursuant to Chapter 17 of Main Board Listing Rules (as the case may be);
- (2) the GEM Listing Committee granting a waiver from strict compliance of Rule 9.19(3) of the GEM Listing Rules for the reduction of the notice period for the Proposed Withdrawal from a minimum of three months to a minimum of five clear Business Days and the fulfillment of the conditions of such waiver as set out on page 7 of this circular;
- (3) the passing of the ordinary resolutions by the Shareholders at the Extraordinary General Meeting to approve the Proposed Withdrawal and the reduction of the notice period for the Proposed Withdrawal to a minimum of five clear Business Days; and
- (4) the publication of a notice of the Proposed Withdrawal as required by the GEM Listing Rules after the approval of the Shareholders for the Proposed Withdrawal shall have been obtained at the Extraordinary General Meeting which notice period shall not be less than five clear Business Days before the Effective Date.

**Waiver from strict compliance with the minimum notice period in respect of the Proposed Withdrawal**

Under the Rule 9.19 of the GEM Listing Rules, an issuer that has an alternative listing on another stock exchange or securities market recognised for this purpose by the Stock Exchange may not voluntarily withdraw its listing on GEM unless:

- (1) prior approval of the shareholders of the issuer has been obtained by way of an ordinary resolution passed at a duly convened meeting of the shareholders of the issuer;
- (2) the prior approval of holders of any other class of listed securities, if applicable, has been obtained; and
- (3) the issuer has given its shareholders at least three months' notice of the proposed withdrawal of listing. This minimum notice period must run from the date on which the shareholders approve the voluntary withdrawal of listing and such notice must include details of how to transfer securities to and trade those securities on the alternative market.

In respect of (2) above, the Company did not have any listed securities other than the Shares as at the Latest Practicable Date.

With reference to the news release issued by the Stock Exchange on 16th January, 2002 regarding the notice period of proposed withdrawal of listing by listed issuer who wishes to withdraw its listing on one board and to apply for listing on the other board of the Stock Exchange by way of introduction not involving any fund raising, the Company has applied to the Stock Exchange a waiver from strict compliance with the minimum three-month notice required under Rule 9.19(3) of the GEM Listing Rules, subject to the fulfillment of the following conditions:

- (i) the notice period for the Proposed Withdrawal shall be a minimum period of five clear Business Days after obtaining the approval of the Shareholders for the Proposed Withdrawal;
- (ii) the prior approval of the Shareholders for the reduction of the minimum notice period for the Proposed Withdrawal to a five clear Business Days shall have been obtained;
- (iii) in respect of the Shares, there is no change in the board lot size, share certificates, the share registrars and the trading currency in connection with the proposal to transfer its listing status; and
- (iv) there is no other fact that leads the Stock Exchange to believe that the reduced notice period is not feasible.

Accordingly, the Extraordinary General Meeting is to be convened to seek the approval of the Shareholders for, amongst other things, the Proposed Withdrawal and the proposed reduction in the minimum three-month notice period for the Proposed Withdrawal. This minimum notice period must run from the date on which the Shareholders approve the voluntary withdrawal of listing to the date of the withdrawal. After the approval shall have been obtained, a notice of the Proposed Withdrawal will be published for not less than five clear Business Days before the Effective Date.

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## LETTER FROM THE BOARD

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The Directors consider that it is in the best interest of the Company and the Shareholders as a whole that the notice period for the Proposed Withdrawal be reduced so that the Proposed Withdrawal and the Introduction can be carried out as soon as practicable after obtaining the relevant approvals from the Shareholders at the Extraordinary General Meeting.

### **Effects of the Proposed Withdrawal and the Introduction**

It is expected that dealings in the Shares on GEM will cease at 9:30 a.m. on the Effective Date and dealings in the Shares on the Main Board will commence at 9:30 a.m. on the Effective Date. The Company will make an announcement after the Extraordinary General Meeting on the results of the Extraordinary General Meeting and other information in relation to the Proposed Withdrawal and the trading arrangement of the Shares in respect of the Proposed Withdrawal and the Introduction.

The Proposed Withdrawal and the Introduction will have no effect on the existing share certificates in respect of the existing Shares which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. The Directors propose no change to be made to the board lot size, trading currency of the Shares and the registrars of the Shares in connection with the Proposed Withdrawal and the Introduction. Shares will continue to be traded in board lots of 5,000 Shares each and in HK\$ trading currency following the Introduction. Tengis Limited will continue to be appointed the Company's branch share registrar and Bank of Butterfield International (Cayman) Limited will continue to be appointed the Company's principal share registrar in the Cayman Islands.

**If and when the Shares are listed on the Main Board, you may be required to sign a new client agreement with your stockbrokers.**

Upon the listing of the Shares on the Main Board, the Company will comply with all the disclosure requirements of the Main Board Listing Rules and will make all disclosures as required under Main Board Listing Rules. The continuing obligations of listed issuers under the Main Board Listing Rules and the GEM Listing Rules are not the same. For example, the principal means of information dissemination by listed issuers on GEM is via publication on the internet website operated by the Stock Exchange whereas the principal means of information dissemination for listed issuers on Main Board is through publication of announcement on newspapers. In addition, listed issuers on Main Board are not required to publish quarterly results announcements and reports or send quarterly reports to its Shareholders. Although the Main Board Listing Rules presently do not require the publication of quarterly results announcements and reports and only require the publication of interim and the annual results, the Company intends to continue to publish quarterly results announcements and reports and send quarterly reports to the Shareholders on a voluntary basis. The quarterly, interim and the annual results shall be published within 45 days, three months and four months from the end of relevant period or financial year end, respectively and in compliance with Appendix 16 to the Main Board Listing Rules.

## **Reasons for the Proposed Withdrawal and the Introduction**

The Group is principally engaged in trading of cocoa beans in Indonesia. The Group will diversify into cocoa processing operations and to expand its existing cocoa beans trading operations. The Directors consider that the vertical integration of cocoa beans trading and cocoa processing operations will allow the Group to further establish itself as one of the leading players in the Indonesian cocoa industry.

The Introduction will not materially affect the current business objectives and strategies of the Group. The Group will continue its present business operations and will continue to pursue its business objectives as stated in the Listing Document of the Company.

Since the listing of the Shares on GEM on 2nd December, 2003, the business of the Group has grown steadily in the European market and the Company has improved its public profile which further enhanced confidence of the customers to do business with the Group. The Directors consider that listing of the Shares on the Main Board will further enhance the public profile and recognition from the investing public, including the institutional investors, which will be beneficial and complementary to the future growth and development of the Group. The Directors also believe that the listing on the Main Board will further improve the image and recognition of the Group's products which would in turn be beneficial to the Group when it conducts its business and promotes its products.

The Listing Documents issued in connection with the Introduction will be despatched to the Shareholders for information purpose on 27th January, 2006 together with this circular.

The Introduction will not involve any issue of new Shares by the Company.

## **FINANCIAL INFORMATION OF THE GROUP**

### **Indebtedness**

The Group did not have any outstanding bank loans, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance leases or hire purchase commitments, capital commitment, guarantees or other material contingent liabilities outstanding as Latest Practicable Date.

### *Disclaimer*

The Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of the Group since 31st October, 2005 up to the Latest Practicable Date.

### **Liquidity, financial resources and capital structure**

#### *Net current assets*

As at 31st October, 2005, the Group had net current assets of approximately HK\$431.1 million. Current assets of the Group comprised fixed deposits and cash and bank balances of approximately HK\$329.0 million, inventory of approximately HK\$3.2 million, trade debtors of approximately HK\$82.4 million, advances to suppliers of approximately HK\$27.2 million and deposits, prepayments and other receivable of approximately HK\$1.4 million. Indonesian corporate income tax payable of approximately HK\$11.8 million and accruals of approximately HK\$0.3 million.

# LETTER FROM THE BOARD

## *Financial resources*

The Directors believe that on a long term basis, financial resources of the Group will be mainly funded from operations and, if necessary, additional equity financing or bank borrowings.

## *Working capital*

The Directors are of the opinion that, taking into account the existing financial resources available to the Group including internally generated cash flows, the proceeds from the Pre-Migration Placing taken place in May 2005 pursuant to the General Mandate and the placing on GEM in December 2003, the Group has sufficient capital to meet its present working capital requirements that is for at least the next 12 months from the date of this circular.

## **Net tangible assets**

The following statement of net tangible assets of the Group is based on the audited consolidated net assets of the Group as at 31st October, 2005 as set out in the Accountants' Report in Appendix I to the Listing Document as follows:

	<i>HK\$'million</i>
Audited consolidated net assets of the Group as at 31st October, 2005 ( <i>Note 1</i> )	416.2
Net tangible asset value per Share ( <i>Note 2</i> )	<u>HK43.4 cents</u>

### *Notes:*

1. As at 31st October, 2005, the audited consolidated net tangible assets of the Group included deferred tax assets of approximately HK\$150,000 as the realisation of future economic benefits of the deferred tax assets will be in form of reductions in future tax liabilities. Therefore, it is considered as tangible assets.
2. The net tangible asset value per Share is arrived on the basis of a total of 960,000,000 Shares issued but takes no account of (i) any Shares to be issued pursuant to the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and/or which may be granted under the Existing Share Option Scheme and the Proposed Share Option Scheme; and (ii) any Shares which may be allotted and issued by the Company pursuant to the General Mandate.

## **Disclosure under Rules 17.15 to 17.21 of the GEM Listing Rules**

The Directors confirm that as at the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

## **SHARE OPTION SCHEMES**

The Company has adopted the Pre-IPO Share Option Scheme on 20th November, 2003. The Company has also adopted the Existing Share Option Scheme on the same date in compliance with the GEM Listing Rules. The right to grant further options under the Pre-IPO Share Option Scheme has been terminated on the day immediately prior to the listing of the Shares on GEM in accordance with its terms but the provisions of the Pre-IPO Share Option Scheme will remain in force to the extent necessary to give effect to the exercise of any option granted prior to the termination. As the rules of the Existing Share Option Scheme contain references to the GEM Listing Rules, the Company therefore, in view of the Introduction and in order to comply with the provisions of the Main Board Listing Rules, proposes to terminate the Existing Share Option Scheme and, in substitution therefor, conditionally adopt the Proposed Share Option Scheme, which will enable the Directors to grant options to certain selected participants as incentives or rewards for their contribution to the Group. The rules of the Proposed Share Option Scheme will contain provisions which comply with the requirements of Chapter 17 of the Main Board Listing Rules. The respective principal terms of the Existing Share Option Scheme and the Proposed Share Option Scheme are substantially the same with minor differences on certain references to the GEM Listing Rules and the Main Board Listing Rules. Please refer to the summary of the principal terms of the Proposed Share Option Scheme as set out on pages 15 to 22 of this circular. As at the Latest Practicable Date, the Directors did not have any intention to grant any options under the Existing Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, on the Main Board, amongst others, the Shares which may fall to be allotted and issued pursuant to the exercise of any outstanding options granted and/or may be granted, prior to their termination, under the Existing Share Option Scheme or the Pre-IPO Share Option Scheme, or which may be granted under the Proposed Share Option Scheme.

If approved by the Shareholders at the Extraordinary General Meeting, the Existing Share Option Scheme will be terminated and replaced by the Proposed Share Option Scheme once the Proposed Share Option Scheme becomes effective in accordance with its terms.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, there were no outstanding options granted under the Existing Share Option Scheme and options to subscribe for an aggregate of 56,000,000 Shares granted under the Pre-IPO Share Option Scheme were outstanding, details of which are set out below:

Full name of grantee	Position	Percentage of the Shares subject to the options granted over the issued capital of the Company as at the listing of the Shares of GEM (i.e. 2nd December, 2003)	Subscription Price per Share (HK\$)	Number of Shares to be issued upon exercise of options	Percentage of the Shares subject to the options granted over the issued capital of the Company as at the listing of the Shares on the Main Board	Percentage of the Shares subject to the options granted over the issued capital of the Company as at the Latest Practicable Date
Johanas Herkiamto	Director	2.00%	0.01	16,000,000	1.67%	1.67%
Rudi Zulfian	Director	2.00%	0.01	16,000,000	1.67%	1.67%
Elfisno	Head of Accounting	1.50%	0.01	12,000,000	1.25%	1.25%
Tiswan	Head of Internal Audit	1.50%	0.01	12,000,000	1.25%	1.25%
				Total:	56,000,000	5.83%
					5.83%	5.83%

Since the trading of the Shares on GEM only commenced in December 2003, it is not long enough to derive any meaningful financial estimates upon which the value of options would be determined, the Directors consider that currently it is not feasible to state the value of all the options in the Proposed Share Option Scheme.

### Conditions of the Proposed Share Option Scheme

The Proposed Share Option Scheme will be conditional upon:

- (1) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, on the Main Board, the Shares in issue and any Shares which may fall to be allotted and issued pursuant to the exercise of any outstanding options granted and/or may be granted, prior to their termination, under the Existing Share Option Scheme or the Pre-IPO Share Option Scheme, or which may be granted under the Proposed Share Option Scheme;
- (2) the passing of an ordinary resolution by the Shareholders at the Extraordinary General Meeting to approve the termination of the Existing Share Option Scheme, the adoption of the Proposed Share Option Scheme and the issue of Shares pursuant to the exercise of any options which may be granted thereunder; and
- (3) commencement of dealings in the Shares on the Main Board.

# LETTER FROM THE BOARD

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## **EXTRAORDINARY GENERAL MEETING**

Set forth on pages 23 to 25 of this circular is a notice convening the Extraordinary General Meeting to be held at Executive Board Room, Millenium Hotel, Jl.K.H. Fachrudin No. 3 Jakarta Pusat, Indonesia on 17th February, 2006 at 10:00 a.m. or any adjournment thereof, at which ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve, among other matters, the Proposed Withdrawal, the proposed reduction of the minimum notice period for the Proposed Withdrawal, the proposed termination of the Existing Share Option Scheme and the proposed adoption of the Proposed Share Option Scheme. The maximum number of Shares which may be issued upon exercise of all options to be granted under the Proposed Share Option Scheme will not exceed the number of Shares representing 10% of the issued share capital of the Company as at the date of the Extraordinary General Meeting (i.e. 96,000,000 Shares based on the number of issued Shares as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased up to the date of the Extraordinary General Meeting).

No Shareholders are required to abstain from voting at the Extraordinary General Meeting.

### **Procedure for demanding a poll at the Extraordinary General Meeting**

Pursuant to the Existing Articles, a resolution put to the vote at any general meeting shall be decided on a show of hands unless a poll is required under the GEM Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman presiding at the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote at the meeting; or
- (c) one or more members present in person or by proxy who are entitled to vote and who represent in aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

### **Forms of Proxy**

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular. Whether or not you intend to attend the Extraordinary General Meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof (as the case may be) to Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof (as the case may be), should you so wish.



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## LETTER FROM THE BOARD

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### DOCUMENTS AVAILABLE FOR INSPECTION

The Listing Document issued in connection with the Introduction and this circular will be despatched to the Shareholders on 27th January, 2006 and will be available for inspection at the Extraordinary General Meeting.

Copies of the Company's memorandum of association and the Existing Articles, the prospectus of the Company issued on 25 November 2003, the annual reports of the Company for the two years ended 31 December 2004 and 2005 respectively, the quarterly reports of the Company for the three months ended 31 March 2005 and 30 June 2005 respectively, and the respective rules of the Proposed Share Option Scheme and the Existing Share Option Scheme will be available for inspection at the office of Sidley Austin at 39th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours from 27th January, 2006 up to and including the date of the Extraordinary General Meeting and will also be available for inspection at the Extraordinary General Meeting.

### RECOMMENDATION

The Board considers that the Proposed Withdrawal, the reduction of the minimum notice period for the Proposed Withdrawal, the proposed termination of the Existing Share Option Scheme and the adoption of the Proposed Share Option Scheme, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of each of the resolutions set forth in the notice of the Extraordinary General Meeting. Mr. Harmiono Judianto, the Chairman and Controlling Shareholder who as at the Latest Practicable Date held 456,400,000 Shares (representing approximately 47.54 percent of the issued share capital of the Company), has confirmed to the Company that he will vote in favour of each of the resolutions to be proposed at the Extraordinary General Meeting.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board  
**Pan Sino International Holding Limited**  
**Harmiono Judianto**  
*Chairman*

# SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME

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*The following is a summary of the principal terms of the rules of the Proposed Share Option Scheme to be adopted by the Shareholders at the Extraordinary General Meeting to replace the Existing Share Option Scheme:*

## **1. PURPOSE**

The purpose of the Proposed Share Option Scheme is to enable the Company to grant options to the Eligible Participants (as defined in paragraph 2 below) as incentives and/or rewards for their contribution to the Company and/or its subsidiaries.

## **2. WHO MAY JOIN**

The Board may, at its discretion, offer eligible participants (being employees (whether full time or part time), executives and officers of the Company and any of its subsidiaries (including executive and non-executive directors of the Company and any of its subsidiaries) and business consultants, agents and legal and financial advisers to the Company or its subsidiaries who the Board considers, in its sole discretion, will contribute or have contributed to the Company or any of its subsidiaries) (the "Eligible Participants") options to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph 5 below. Upon acceptance of the option, the grantee thereof shall pay HK\$1.00 to the Company by way of consideration for the grant.

## **3. MAXIMUM NUMBER OF SHARES**

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Proposed Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% of the total issued Shares (i.e., 96,000,000 Shares, assuming that no Shares will be issued or repurchased prior to the date of the Extraordinary General Meeting) as at the date of approval and adoption of the Proposed Share Option Scheme by the Shareholders (which is expected to be 17th February, 2006, being the date of the Extraordinary General Meeting). Options lapsed in accordance with the terms of such share option scheme(s) will not be counted for the purpose of the 10% limit. Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) refresh this limit at any time up to 10% of the Shares in issue as at the date of the approval of the limit as refreshed by the Shareholders in general meeting (options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed); and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board whereupon the Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the options serve such purpose and such other information as required under the Main Board Listing Rules.

## **SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME**

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Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Proposed Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

#### **4. MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Proposed Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed one per cent of the Shares in issue as at the date of grant.

Any further grant of options in excess of this one per cent limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Eligible Participant and his associates (as defined in the Main Board Listing Rules) abstaining from voting and other requirements prescribed under the Main Board Listing Rules from time to time.

#### **5. SUBSCRIPTION PRICE OF SHARES**

The subscription price for a Share in respect of any particular option granted under the Proposed Share Option Scheme (subject to adjustments referred to in paragraph 18) shall be such price as the Board in its absolute discretion shall determine, save that such price must not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to grant option, (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five (5) business days immediately preceding the date of offer to grant option; and (c) the nominal value of a Share.

#### **6. GRANTING OPTIONS TO CONNECTED PERSONS**

Any grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined in the Main Board Listing Rules) is required to be approved by the independent non-executive directors (excluding any independent non executive director who is the relevant Eligible Participant). If the Board proposes to grant options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates which will result in the Shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person under this Scheme and the other schemes in the 12-month period up to and including the date of the offer of such grant:

- (i) representing in aggregate over 0.1%, or such other percentage as may from time to time be specified in the Main Board Listing Rules, of the Shares in issue on the date of the offer; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, or such other amount as may from time to time be specified in the Main Board Listing Rules, such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all

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## **SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME**

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connected persons (as defined in the Main Board Listing Rules) of the Company shall abstain from voting, in favour at the general meeting such other requirements prescribed under the Main Board Listing Rules from time to time.

### **7. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

For so long as the Share are listed on the Stock Exchange, an offer to grant option may not be made after a price-sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price-sensitive information has been announced pursuant to the requirements of the Main Board Listing Rules. In particular, no options may be offered to be granted during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Main Board Listing Rules); and (b) the deadline for the Company to publish its interim or results for any year, half-year, quarterly or any other interim period (whether or not required under the Main Board Listing Rules) announcement under the listing agreement and ending on the date of actual publication of the results announcement.

### **8. RIGHTS ARE PERSONAL TO GRANTEE**

An option is personal to the grantee and the grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so.

### **9. TIME OF EXERCISE OF OPTION**

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration is received by the Company, such date must be on or before the 30th day after the option is offered to the relevant grantee. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Proposed Share Option Scheme. Subject to earlier termination by the Company in general meeting, the Proposed Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Proposed Share Option Scheme by Shareholders by resolution at a general meeting.

### **10. PERFORMANCE TARGET**

The Board has the discretion to require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the Proposed Share Option Scheme can be exercised.

# **SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME**

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## **11. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT AND DEATH**

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph 12 below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation,

which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

## **12. LAPSE OF OPTION ON MISCONDUCT, BANKRUPTCY OR DISMISSAL ETC.**

If a grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Company and/or any of its subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Company and/or any of its subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the company or the relevant subsidiary.

## **13. RIGHTS ON GENERAL OFFER**

If a general offer, whether by way of takeover, share repurchase offer or scheme of arrangement or otherwise in like manner, is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Takeovers Code), the grantee shall be entitled to exercise the option in full at any time within 14 days after the date on which such general offer becomes or is declared unconditional (to the extent not already exercised).

## **14. RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS MEMBERS OR CREDITORS**

If, pursuant to the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, a compromise or arrangement between the Company and its members and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee shall be entitled to exercise all or any of his/her options in whole or in part at any time prior to 12:00 noon (Hong Kong time) on the business day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all grantees to exercise their respective

## **SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME**

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options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the grantees to exercise their respective options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

### **15. RIGHTS ON WINDING-UP**

In the event a notice is given by the Company to its members to convene a meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees of each grantee shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the date of the proposed meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

### **16. LAPSE OF THE OPTIONS**

An option will lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry date relevant to that option;
- (ii) the expiry of any of the periods referred to in paragraphs 11, 13, 14 or 15 above;
- (iii) subject to the scheme of arrangement of the Company becoming effective, the expiry of the period referring to in paragraph 14;
- (iv) the date of commencement of the winding-up of the Company (as determined in accordance with the applicable law) as referred to in paragraph 15 above;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Company and/or any of its subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Company and/or any of the subsidiaries (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant subsidiary. A resolution of the Board or the board of

## **SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME**

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directors of the relevant subsidiary to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in paragraph 12 above shall be conclusive; or

- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of the prohibitions specified in paragraph 8 above or the options are cancelled in accordance with paragraph 20 below.

### **17. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted and issued upon the exercise of an option shall be subject to all the provisions of the constitutional documents of the Company and the Companies Act for the time being in force and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights, including those arising on liquidation of the Company and rights in respect of any dividend or other distribution paid or made on or after the relevant date of issue.

### **18. EFFECT OF ALTERATIONS TO CAPITAL**

In the event of capitalisation issue, rights issue, open offer, consolidation, sub-division or reduction of the capital of the Company, such corresponding alterations (if any) shall be made in (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as circumstances requiring alteration or adjustment) in (a) the number of Shares subject to any outstanding options and/or (b) the exercise price as the auditors or the approved independent financial adviser shall at the request of the Company or any grantee, certify in writing, to be in their opinion fair and reasonable and satisfied the requirements under the Main Board Listing Rules, provided that any such alterations shall be made on the basis that a grantee shall have the same proportion of the equity capital of the Company (as interpreted in accordance with the supplementary guidance (the "Supplemental Guidance") attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers related to share option schemes which can be found on the Stock Exchange's website [www.hkex.com.hk](http://www.hkex.com.hk)) as that to which he or she was entitled to subscribe had he or she exercised all the options held by him immediately before such adjustments and the aggregate exercise price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value. Any adjustment to be made will comply with the Main Board Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Main Board Listing Rules issued by the Stock Exchange from time to time.

# SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME

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## 19. ALTERATION OF PROPOSED SHARE OPTION SCHEME

The terms and conditions of the Proposed Share Option Scheme and the regulations for the administration and operation of the Proposed Share Option Scheme (provided that the same are not inconsistent with the Proposed Share Option Scheme and the Main Board Listing Rules) may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Main Board Listing Rules; or
- (ii) any material alteration to the terms and conditions of the Proposed Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the Proposed Share Option Scheme),

must be made with the prior approval of the shareholders of the Company in general meeting at which any person(s) to whom or for whose benefit the Shares may be issued under the Proposed Share Option Scheme and their respective associates shall abstain from voting PROVIDED THAT the amended terms of the Proposed Share Option Scheme or the options shall remain in compliance with Chapter 17 of the Main Board Listing Rules and no alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such option prior to such alteration except with:

- (i) the consent in writing of grantees holding in aggregate options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all options outstanding on that date; or
- (ii) the sanction of a special resolution.

Written notice of any alterations made in accordance with this paragraph 19 shall be given to all grantees.

In respect of any meeting of grantees referred to in paragraph 19, all the provisions of the constitutional documents for the time being of the Company as to general meetings of the Company shall mutatis mutandis apply as though the options were a class of shares forming part of the capital of the Company except that:

- (a) not less than seven days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two grantees present in person or by proxy and holding options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all options then outstanding unless there is only one grantee holding all options then outstanding, in which case the quorum shall be one grantee;
- (c) every grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he or she would be entitled upon exercise in full of his options then outstanding;
- (d) any grantee present in person or by proxy may demand a poll; and



## **SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED SHARE OPTION SCHEME**

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- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven or more than 14 days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those grantees who are then present in person or by proxy shall form a quorum.

### **20. CANCELLATION OF OPTIONS**

Any cancellation of options granted but not exercised must be approved by the grantee of the relevant options in writing for the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 8. Where the Company cancels options and issues new ones to the same grantee, the issue of such new options may only be made under the Proposed Share Option Scheme with available un-issued options (excluding the cancelled options) within the limit approved by Shareholders.

### **21. TERMINATION OF THE PROPOSED SHARE OPTION SCHEME**

The Company may by resolution in general meeting or the Board may at any time resolve to terminate the Proposed Share Option Scheme and in such event no further option shall be offered but the provisions of the Proposed Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme. Details of the options granted, including options exercised or outstanding, under the Proposed Share Option Scheme shall be disclosed in the circular to shareholders of the Company seeking approval of the new scheme established after the termination of the Proposed Share Option Scheme.

### **22. CONDITIONS OF THE PROPOSED SHARE OPTION SCHEME**

The terms of the Proposed Share Option Scheme are in compliance with the Main Board Listing Rules. The Proposed Share Option Scheme is conditional on:

- (i) the approval of the Shareholders at the Extraordinary General Meeting on the adoption of the Proposed Share Option Scheme by the Company and the issue of Shares pursuant to the exercise of any options which may be granted thereunder;
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, on the Main Board, the Shares in issue and any Shares which may fall to be issued pursuant to the exercise of any options which were granted and/or may, prior to their termination, be granted under the Pre-IPO Share Option Scheme or the Existing Share Option Scheme, or which may be granted under the Proposed Share Option Scheme; and
- (iii) the commencement of dealing in Shares on the Main Board.

### **23. DISCLOSURE IN ANNUAL AND HALF-YEARLY REPORTS**

The Company will disclose details of the options granted under the Proposed Share Option Scheme in its annual and half-yearly reports in accordance with the Main Board Listing Rules in force from time to time.

**PAN SINO INTERNATIONAL HOLDING LIMITED**

**環新國際有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8260)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Pan Sino International Holding Limited (the “Company”) will be held at Executive Board Room, Millenium Hotel, Jl.K.H. Fachrudin No. 3 Jakarta Pusat, Indonesia on 17th February, 2006 at 10:00 a.m. for the purpose of considering and, if thought fit, passing each of the following resolutions with or without modifications as an ordinary resolution of the Company:

**ORDINARY RESOLUTION NO. 1**

“**THAT** conditional upon (1) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval of the listing on the Main Board (as defined in the circular of the Company dated 27th January, 2006 (the “Circular”)) and permission to deal in, on the Main Board, the shares of HK\$0.01 each in the share capital of the Company (the “Shares”) in issue and any Shares which may fall to be issued pursuant to the exercise of any options which were granted and/or which may be granted, prior to their termination, under the Pre-IPO Share Option Scheme (as defined in the Circular) or the Existing Share Option Scheme (as defined in the Circular) or which may be granted under the Proposed Share Option Scheme (as defined in the Circular); and (2) the publication by the Company of a notice in respect of the proposed withdrawal of listing of the Shares on the Growth Enterprise Market of the Stock Exchange (the “Proposed Withdrawal”) which shall be published not less than five clear Business Days (as defined in the Circular) prior to the effective date of the Proposed Withdrawal as the shareholders of the Company shall approve under Ordinary Resolution No. 2 as set out in the notice of the extraordinary general meeting of the Company of which this Resolution forms part, the Proposed Withdrawal with effect from such date and time as the board of directors (or any committee thereof) of the Company may designate insofar as such date and time being acceptable to the Stock Exchange be and is hereby approved, and any one director or the secretary of the Company be and is hereby authorised to do all such acts for and on behalf of the Company as he or she may in his absolute discretion deem necessary, desirable or expedient to give effect to the transactions contemplated hereunder.”

**ORDINARY RESOLUTION NO. 2**

“**THAT** conditional upon the passing of the Ordinary Resolution No. 1 as set out in the notice of the extraordinary general meeting of the Company of which this Resolution forms part and the approval of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the notice period required under Rule 9.19(3) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange in connection with the Proposed Withdrawal (as defined in the Ordinary Resolution No. 1 as set out in the notice of the extraordinary general meeting of the Company of which this Resolution forms part) be reduced to a minimum period of five clear Business Days (as defined in the circular of the Company dated 27th January, 2006) from the date on which the shareholders of the Company shall have approved the Proposed Withdrawal.”

# NOTICE OF THE EXTRAORDINARY GENERAL MEETING

## ORDINARY RESOLUTION NO. 3

“**THAT** conditional upon (A) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval of the listing of, and permission to deal in, on the Main Board (as defined in the circular of the Company dated 27th January, 2006 (the “Circular”)), the shares of HK\$0.01 each in the share capital of the Company (the “Shares”) in issue and any Shares which may fall to be issued pursuant to the exercise of any options which were granted and/or which may be granted, prior to their termination, under the Pre-IPO Share Option Scheme (as defined in the Circular) or the Existing Share Option Scheme (as defined in the Circular), or which may be granted under the Proposed Share Option Scheme (as defined in the Circular), the rules of which are set out in the document marked “A” produced to this meeting and signed for the purpose of identification by the Chairman of the meeting, and upon (B) the commencement of dealing in Shares on the Main Board (as defined in the circular):

- (i) the Proposed Share Option Scheme be and is hereby approved and adopted, and the directors of the Company (or any committee thereof) be and are hereby authorised, at their absolute discretion, to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of subscription rights under any options which may be granted under the Proposed Share Option Scheme and to do all such acts as they may in their absolute discretion deem necessary, desirable or expedient to give effect to the Proposed Share Option Scheme; and
- (ii) the Existing Share Option Scheme (as defined in the Circular) be terminated immediately upon the Proposed Share Option Scheme becoming unconditional and effective.”

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

Hong Kong, 27th January, 2006

\* *for identification purposes only*

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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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**Notes:**

1. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or, if he/she/it holds two or more shares, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote on his/her/its behalf. A proxy need not be a member of the Company. A proxy form for use at the meeting is enclosed.
2. In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or other authority, at Tengis Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
3. In the case of joint registered holders of any Shares, any one of them may vote at the meeting, either in person or by proxy, in respect of such Shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders be present at the meeting, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).