HIGHLIGHTS

- Turnover for the nine months ended 30th September, 2005, amounted to approximately HK$507.43 million, representing an increase of approximately 21.7% compared to the corresponding period in 2004.

- Sales volume for the nine months ended 30th September, 2005 increased by approximately 17.6% to 43,900 tonnes compared to the corresponding period in 2004.

- Profit from operations increased by 29.3% compared to the corresponding period in 2004 to approximately HK$123.27 million for the nine months ended 30th September, 2005.

- Basic and diluted earnings per share was approximately HK9.41 cents and HK8.86 cents respectively for the nine months ended 30th September, 2005.

- The Directors do not recommend payment of an interim dividend for the nine months ended 30th September, 2005.

- Profit attributable to shareholders for the nine months ended 30th September, 2005 was approximately HK$82.38 million representing an increase of approximately 28.4% compared to the corresponding period in 2004.

RESULTS

The Directors (the "Directors") of Pan Sino International Holding Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the "Group") for the nine months ended 30th September, 2005 together with the comparative unaudited figures for the corresponding period in 2004 (the "Relevant Period"), which are set out as follows:

Consolidated Income Statement

		Three months ended 30th September,		Nine months ended 30th September,	
		2005	2004	2005	2004
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Turnover	2	238,765	196,113	507,430	417,079
Cost of sales		(180,043)	(154,877)	(387,438)	(324,175)
Gross profit		58,722	41,236	119,992	92,904
Interest income		1,962	626	5,331	2,294
Selling & distribution expenses		(847)	(757)	(1,856)	(1,984)
General and administration expenses		(1,861)	(864)	(5,411)	(2,393)
Net exchange gain/(loss)		4,491	(1,938)	5,214	4,490
Profit from operations		62,467	38,303	123,270	95,311
Finance cost		—	—	—	—
Profit before taxation	3	62,467	38,303	123,270	95,311
Taxation	4	(18,577)	(11,207)	(36,418)	(27,929)
Profit after taxation		43,890	27,096	86,852	67,382
Minority interest		(2,245)	(1,276)	(4,476)	(3,225)
Profit attributable to shareholders	5	41,645	25,820	82,376	64,157
Earnings per share					
Basic *(cents)*	6a	4.76	3.23	9.41	8.02
Diluted *(cents)*	6b	4.48	3.02	8.86	7.51

Notes:

1. **Basis of Presentation and Accounting Policies**

These financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and are prepared under the historical cost convention.

In 2004, the HKICPA issued a number of new and revised Hong Kong Accounting Standards and Hong Kong Financial Reporting standards ("HKFRS") which are effective for accounting period beginning on or after 1st January, 2005. The adoption of these new and revised HKFRS has no material impact on the Group's results of operations and financial position.

2. Turnover

The Group is principally engaged in trading of cocoa beans. Turnover represents the invoiced value of goods sold during the nine months ended 30th September, 2005.

3. Profits Before Taxation

	(Unaudited) Nine months ended 30th September, 2005 *HK$'000*	2004 *HK$'000*
Profit before taxation is arrived at after charging:		
Cost of inventories sold	387,438	324,175
Auditors' remuneration	50	—
Depreciation	—	6
Directors' remuneration	398	282
Other staff costs	429	351
Minimum lease payments in respect of land and building	335	375

4. Taxation

The tax charged for the nine months ended 30th September, 2005 can be reconciled to the profit per the income statement as follows:

	Three months ended 30th September, 2005 *HK$'000* *(Unaudited)*	2004 *HK$'000* *(Unaudited)*	Nine months ended 30th September, 2005 *HK$'000* *(Unaudited)*	2004 *HK$'000* *(Unaudited)*
Profit before taxation:	62,467	38,303	123,270	95,311
Taxation at the Indonesian progressive income tax rate	20,068	11,490	40,649	28,593
Tax effect of expenses that are not deductible in determining taxable profit	5	2	43	24
Tax effect of income that are not assessable in determining taxable profit	(1,492)	(285)	(4,481)	(688)
Tax effect of employee benefits and depreciation	(7)	—	295	—
Deferred tax	3	—	(88)	—
Income tax expense	18,577	11,207	36,418	27,929

During the nine months ended 30th September, 2005, all of the Group's profits were derived from PT. Nataki Bamasa, incorporated and operated in the Republic of Indonesia. No provision for Hong Kong profits tax has been made in these financial statements, as the Group has no assessable profits for the period. Provision for Indonesian corporate income tax for the current period is based on the following progressive tax rates:

Taxable income	Rate
IDR	%
On the first 50,000,000	10
On the next 50,000,000	15
Over 100,000,000	30

5. Profit Attributable to Shareholders

Profit attributable to shareholders includes a profit of approximately HK$82.38 million which has been dealt with in the unaudited financial statements of the Company.

6. Earnings per Share

a. The calculation of the basic earnings per share is based on profit attributable to shareholders for the nine months ended 30th September, 2005 of HK$82,376,000.00 (30th September, 2004: HK$64,157,000.00) and on 875,604,396 (2004: 800,000,000) shares in issue during the period.

b. The calculation of the diluted earnings per share is based on profit attributable to shareholders for the nine months ended 30th September, 2005 of HK$82,376,000.00 (30th September, 2004: HK$64,157,000.00) and on 929,364,396 (2004: 854,303,030) shares in issue during the period.

7. Trade receivables

The Group generally allows credit period ranging from 30 to 60 days to its trade customers.

8. Reserve Fund

Under articles 61 and 62 of the Indonesian Company Law, Nataki as an Indonesian company is required to appropriate a certain amount of its available net profit to a reserve fund. The appropriation to the reserve fund is required until it aggregates to at least 20% of Nataki's total paid-up capital.

The reserve fund is non-distributable and can only be used to make good future years' losses. The appropriation of the reserve fund in the amount of HK$ 17,523,000 been incorporated in the financial statements of Nataki for the nine months ended 30th September, 2005.

Movement of Reserves

	Share Premium *HK$'000*	Revenue reserve *HK$'000*	Reserve fund *HK$'000*	Special reserve *HK$'000*	Exchange reserve *HK$'000*	Total *HK$'000*
As at 1st January, 2004	86,800	31,754	—	83,232	10,558	212,344
Profit for nine months ended 30th September, 2004	—	64,157	—	—	—	64,157
Exchange differences on translation of financial statement of overseas subsidiaries	—	—	—	—	(9,880)	(9,880)
As at 30th September, 2004	86,800	95,911	—	83,232	678	266,621
As at 1st January, 2005	86,800	123,448	—	83,232	(3,585)	289,895
Profit for nine months ended 30th September, 2005	—	82,376	—	—	—	82,376
Transfer to reserve fund	—	(17,523)	17,523	—	—	—
New share	46,400	—	—	—	—	46,400
Exchange differences on translation of financial statement of overseas subsidiaries	—	—	—	—	(27,141)	(27,141)
As at 30th September, 2005	133,200	188,301	17,523	83,232	(30,726)	391,530

INTERIM DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 30th September, 2005 (2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a turnover of approximately HK$507,430,000 for the nine months ended 30th September, 2005, a 21.7% increase from approximately HK$417,079,000.00 for the same period of the previous year.

Profit attributable to shareholders for the nine months ended 30th September, 2005 was HK$82,376,000, whereas the Group recorded a profit of approximately HK$64,157,000 for the same period of the previous year.

Cost of sales amounted to HK$387.44 million for the nine months ended 30th September, 2005, a 19.5% increase from HK$324.17 million for the same period of the previous year. The increase in cost of sales was mainly due to the increase of sales volume of 17.6% compared to the same period in the previous year.

The decline in the average selling price for the nine months ended 30th September, 2005 was mainly due to the downtrend of International cocoa beans price. The International price for cocoa beans began to slide in July 2005.

The Group has continued to receive orders from existing customers, Westermann, Unicom, ICBT, Orebi and Theobroma. Until the end of September 2005, the Group has shipped to these existing customers the amounts of 9,065 tonnes, 13,035 tonnes, 10,240 tonnes, 5,180 tonnes and 6,380 tonnes cocoa beans respectively. The Group will continue its effort to expand its market-share to other customers.

Some disease affected a few cocoa beans plantation areas in Sulawesi, but the Group is still able to increase its purchasing volume from the farmers by changing the purchasing areas to those which were not affected by the disease. Our purchasing staff has worked hard to widen their coverage area in South Sulawesi.

The Group continues to be one of the few purchasers in Indonesia that provide farmers with a 50% advance payment for the purchase of cocoa beans. Given our standing as one of the major exporters of cocoa beans in Indonesia, this ability to provide farmers with this payment mode guarantees the stock of cocoa beans required and at more competitive prices.

The Group's sales volume has increased from 37,340 tonnes for the nine months ended 30th September, 2004 to 43,900 tonnes for the nine months ended 30th September, 2005, representing an increase of approximately 17.6%.

However, profit from operations in the third quarter of 2005 was approximately HK$123.27 million, increased approximately by 29.3% compared to the corresponding period in 2004 of approximately HK$95.31 million.

Profit attributable to shareholders for the nine months ended 30th September, 2005 of approximately HK$82.38 million, increased by approximately 28.4% compared to the corresponding period in 2004.

RELATIONSHIP WITH CUSTOMERS

The Group has maintained good and stable relationships with its overseas customers since commencement of business with them. The Directors are aware that the ability to provide quality cocoa beans and reliable service to these customers are very important as they are established cocoa product suppliers in Europe who source cocoa beans from all over the world.

The Company has signed the renewal sales agreement with three of its customers which will be valid for a further 3 year period commencing from the date of signing the respective Sales Agreements with the details as follows:

Customers	Periods of the Agreements	Volume
Unicom International B.V	from October 2005 to October 2008	13,500
ICBT	from October 2005 to October 2008	12,000
Westermann	from October 2005 to October 2008	8,500

By signing the new Sales Agreements, the Company has succeeded in increasing the minimum purchase volume from the three customers by approximately 21.42%.

As in previous years, including the nine months ended 30th September, 2005, the Group has not experienced any customer complaints or returned sales.

FUTURE PROSPECTS

The trend in turnover during the third quarter of 2005 and 2004 improved mainly because of the cocoa beans crop season. The main crop usually starts in April until July each year.

The business and revenue of the Group is in line with the cocoa beans crop season in Indonesia where part of the third quarter results of the year usually includes the main crop of cocoa beans. The main crop will give a positive impact to the Group's sales and revenue.

Cocoa beans traders in Indonesia face competition from other traders within their own country and from other major cocoa beans exporting countries such as Cote d'Ivoire and Ghana. Indonesia is currently the third largest producer of cocoa beans in the world and according to INCA, aims to be the largest producer by 2010. However, the Directors believe that the Group will be able to maintain its competitive edge with:

- the Sales Agreements signed with three of its customers;
- the ability to provide farmers with a 50% advance payment for purchases;
- the ability to place large orders enables us to obtain more competitive prices and in return can offer our export customers quality cocoa beans at attractive prices;
- spread areas of the plantations has given the Group dealings with more farmers in different locations;
- the Group adopts stringent quality control procedures to ensure that the quality of the cocoa beans sourced meet with customers' requirements.

USE OF PROCEEDS

The Company raised net proceeds of approximately HK$94.8 million from its initial public offering in December 2003 and approximately HK$47.8 million from Private Placing in April 2005.

As at 30th September, 2005, the net proceeds from the public listing have been applied as follows:

Intended use of proceeds	Intended use of Proceed from Initial Public Offering in December 2003	Intended Use of Proceeds from Placing	Actual Application of the proceeds up to the latest Practicable Date
	HK$'000	*HK$'000*	*HK$'000*
Expand into other cocoa-related business	62,700	47,800	225
Increase the Group's warehouse capacity	27,600	—	—
Expand the Group's trading business via marketing activities	600	—	150
Remaining proceeds appropriated for working capital	3,900	—	—
Net fund raised/used	94,800	47,800	375

In the annual report for the year ended 31st December, 2004, the Group stated that the delay in the business plan was due to the parliamentary and the presidential elections in Indonesia, which created certain political uncertainties and made investment activities slow in 2004. However, the election was carried out peacefully and a new president, Mr. Soesilo Bambang Yudhoyono, was elected for the term of 2004–2009, with Mr. M. Jusuf Kalla as Vice President.

After prudent consideration on the current political and investment conditions, the Group decided that the business plans would be implemented in the first quarter of 2006.

In April 2005, the Company issued 160,000,000 new Shares and raised approximately HK$47.8 million under Private Placing. The fund raised is allocated for general working capital of the cocoa processing operation development.

The unused proceeds are now being placed on interest-bearing deposits with licensed banks in Indonesia.

As at 30th September, 2005, the amount and terms of the fixed deposits placed in the licensed banks are as below:

	Bank	Interest Rate (annualized)	Currency	Amount
(i)	Bank of Central Asia	3.5%	US$	16,073,522.96
(ii)	Bank of Central Asia	7%	IDR	167,300,807,687.22

Both of the US$16,073,522.96 and IDR167,300,807,687.22 in the Bank of Central Asia are based on a one month term deposit which will be renewed every month automatically unless notified by the Company.

As at 30th September, 2005, the amount and terms of the Cash and bank balances placed in the licensed banks and the Group's office is tabulated:

	Bank/Place	Interest Rate (annualized)	Currency	Amount
(i)	Bank of Central Asia	1.0%	IDR	43,505,855,987.17
(ii)	The Group's office	Nil	IDR	3,936,432.00
(iii)	Bank of Central Asia	0.65%	US$	1,842,158.86

The reasons to place the fixed deposits and Cash in Indonesian Banks are:

(a) All of the Company's operations are in Indonesia; it would be much easier to control and access with the deposits in Indonesian Banks as opposed to other markets such as Hong Kong.

(b) Differences between the banks in Indonesia and the banks in Hong Kong in regards to its terms and interest rate for the above US dollars and IDR deposits are not material.

The fixed deposits, cash and bank balances above are equal to approximately HK$251 million and approximately HK$47.03 million at 30th September, 2005 respectively.

Note: US$1 = HK$7.7567 and 1 HK$=IDR1,329.05 settle rate as at 30th September, 2005.

The rationale of the Directors for keeping the unused cash is to enable the Company to implement its business plans from the first quarter of 2006.

The Company foresees that it will require plenty of cash to develop the business plans and considers it prudent to anticipate the necessary before implementation, to avoid any unforeseeable problems for fund raising in the near future.

The Directors learnt from the reliable industry sources that often companies implement their investment projects before raising enough capital on hand and failed to get additional capital to continue and/or complete the whole project, which then places the company into a financial crisis. In some extreme cases which resulted in bankruptcy. Therefore, based on the conservative business philosophy, the Group would prepare the necessary proceeds before implementing the business plans.

SHARE OPTIONS

Pursuant to the written resolutions passed by all the shareholders of the Company on 20th November, 2003, the Company adopted the following share option schemes:

(A) Share Option Scheme (the "Scheme")

No option under the Scheme has been granted or agreed to be granted since the adoption of the Scheme.

(B) Pre-IPO Share Option Scheme (the "Pre-IPO Scheme")

On 20th November, 2003, options to subscribe for a total of 56,000,000 shares of the Company were granted under the Pre-IPO Scheme to 4 individuals, being 2 Directors and 2 employees of the Group. A summary of information of the share options granted by the Company is provided as follows:

Grantees	Vesting period	Exercisable period	Exercise price	Number of share options outstanding as at 01.01.2005	Number of share options granted/ exercised/ lapsed/ cancelled during the nine months ended 30.09.2005	Number of share options outstanding as at 30.09.2005
Executive Directors						
Mr. Johanas Herkiamto	Fully vested on 2nd December, 2004	2nd December, 2004 to 19th November, 2013	HK$0.01	16,000,000	—	16,000,000
Mr. Rudi Zulfian	Fully vested on 2nd December, 2004	2nd December, 2004 to 19th November, 2013	HK$0.01	16,000,000	—	16,000,000
Other employees						
Mr. Elfisno	Fully vested on 2nd December, 2004	2nd December, 2004 to 19th November, 2013	HK$0.01	12,000,000	—	12,000,000
Mr. Tiswan	Fully vested on 2nd December, 2004	2nd December, 2004 to 19th November, 2013	HK$0.01	12,000,000	—	12,000,000
				56,000,000	—	56,000,000

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 30th September, 2005, none of the Directors and Chief Executives had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

Long position in shares of the Company

Name of Director	Nature of interest	Capacity	Number of shares	Percentage of shareholding
Mr. Harmiono Judianto	Personal	Beneficial owner	456,400,000	47.54%

Note: Mr Harmiono Judianto is also the management shareholder and substantial shareholder of the Company.

Long position in underlying shares of the Company (under physically settled equity derivatives)

Name of Director	Nature of interest	Capacity	Description of equity derivatives	Number of underlying shares	Percentage of the underlying shares over the issued share capital of the Company
Mr. Johanas Herkiamto	Personal	Beneficial owner	Share option *(Note)*	16,000,000	1.67%
Mr. Rudi Zulfian	Personal	Beneficial owner	Share option *(Note)*	16,000,000	1.67%

Note: The share options were granted under the Pre-IPO Scheme. Such share options were unlisted and physically settled equity derivatives. Details of such share options are set out in the paragraph headed "Share Options" above.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the nine months ended 30th September, 2005 was the Company or any of its subsidiaries a party to any arrangement to enable the Company's Directors, their respective spouse, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Save as disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 30th September, 2005, no person (other than a Director or Chief Executive of the Company) has an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT SHAREHOLDERS' INTERESTS

Save as disclosed under the paragraphs headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" above, as at 30th September, 2005, no other person was able, as a practical matter, to direct or influence the management of the Company.

COMPETING INTERESTS

None of the Directors, the substantial shareholder or the management shareholders (as defined in the GEM Listing Rules) had any interest in any business that competed with or might compete with the business of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The Group had five customers during the nine months ended 30th September, 2005 and sales to the largest customer included therein amounted to approximately 40%. During the nine months ended 30th September, 2005, the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

To the best knowledge of the Directors, neither the Directors, their associates nor any shareholders who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers during the nine months ended 30th September, 2005.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended 30th September, 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE ADVISOR'S INTERESTS

As updated and notified by the Company's compliance advisor, Celestial Capital Limited ("CASH"), as at 30th September, 2005, neither CASH nor any of its Directors, employees or associates had any interest in the shares of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the shares of the Company or any member of the Group.

AUDIT COMMITTEE

The audit committee comprises three of the independent non-executive Directors, namely Mr. Gandhi Prawira, Ms. Novayanti and Ms. Goh Hwee Chow, Jacqueline. Mr. Gandhi Prawira is the Chairman of the audit committee. The primary duties of this committee are to review the Company's annual report and accounts, halfyearly reports, quarterly reports and to provide advice and comments thereon to the Board of Directors. It is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. Up to the date of approval of these financial statements, the audit committee has held 8 meetings. The audit committee has reviewed the un-audited figures for the third quarterly report and accounts for the nine months ended 30th September, 2005 prior to recommending such accounts to the Board of Directors for approval.

DISCLOSURE PURSUANT TO RULE 17.22 OF THE GEM LISTING RULES

In accordance with the disclosure requirements of Rule 17.22 of the GEM Listing Rules, the following disclosures are included in respect of advances to entities. As at 30th September, 2005, the Group provided advances to two of its trade debtors, ICBT and Unicom (International) B.V., amounting to HK$35,213,260 and HK$30,713,180 respectively, which individually exceeded 8% of the market capitalisation of the Company as at 30th September, 2005. The balances represented trade receivables as at 30th September, 2005 from the sales of cocoa beans to these two customers in the Group's ordinary course of business and on normal commercial terms. These trade receivables are interest-free and unsecured. In accordance with the Group's credit policy, these customers are normally required to make payment of the trade receivables within approximately one month following the shipment of goods.

As at 30th September, 2005, the issued share capital of the Company comprised 960,000,000 shares. Based on the average closing price of the Company's shares of HK$0.282 per share by reference to the Stock Exchange's daily quotation sheets for the trading days from 23rd September, 2005 to 29th September, 2005 (both dates inclusive), being the five business days immediately preceding 30th September, 2005, the total market capitalisation of the Company as at 30th September, 2005 was HK$270,720,000.

DIRECTORS

Executive Directors of the Company as at the date of this announcement are Mr. Harmiono Judianto, Mr. Johanas Herkiamto and Mr. Rudi Zulfian and the Independent non-Executive Directors of the Company as at the date of this announcement are Ms. Novayanti, Mr. Gandhi Prawira and Ms. Jacqueline Goh Hwee Chow.

On behalf of the Board
Mr. Harmiono Judianto
Chairman

Hong Kong, 11th November, 2005