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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: 502)

CHANGE OF LOCATION OF ESTABLISHMENT OF NEW COCOA PROCESSING OPERATIONS

The Board wishes to inform shareholders of the Company regarding the change of the Company's plans regarding the establishment of cocoa processing operations as described in the Company's listing document dated 27 January 2006.

Reference is made to the listing document ("**Listing Document**") issued by Pan Sino International Holding Limited ("**Company**") dated 27 January 2006 relating to the listing of all the shares of the Company ("**Shares**") by way of introduction on the Main Board (the "**Main Board**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In the Listing Document, it was stated that part of the proceeds from the initial listing of the Company on the Growth Enterprise Market ("**GEM**") of the Stock Exchange on 25 November 2003 would be utilized to construct a cocoa processing plant and establish operations in Makassar, Sulawesi, Indonesia during the first quarter of 2006.

After issuing the Listing Document, the Company reconsidered the proposed location of its cocoa processing operations and now considers that the Company would benefit from having the site of its new cocoa processing operations in Singapore (the "**Singapore Plant**"). The rationale behind this decision includes: proximity of access to cocoa bean sources; world class connectivity, infrastructure and proximity to efficient port facilities; high food safety standards; good market access; access to research expertise and knowledge pools; extensive support from the Singapore authorities for the setting up of the cocoa processing plant in Singapore. After due consideration, the board of directors of the Company ("**Board**") has decided to set up its cocoa processing operations in Singapore instead of Makassar, Sulawesi in Indonesia. Save for the change of the location of the establishment of the cocoa processing operations, the board does not currently expect that there will be any material change in the proposed use of proceeds as stated in the Listing Document as a result of such change.

The Singapore Plant will be located in the food zone in the Jurong Industrial Estate, Singapore. Jurong Industrial Estate is an industrial zone away from any residential areas in Singapore but has access to good transport, water and electricity infrastructure and is in close proximity to efficient port facilities. The Singapore Plant will comprise of a plant building, office building, laboratory, warehouse and guard house. The Singapore Plant will process raw cocoa beans supplied by Nataki, a 95%-owned subsidiary of the Company, into processed cocoa products such as cocoa butter and cocoa powder for export to international markets, principally Europe.

On 9 September 2006, the Company acquired a Singapore incorporated company named Hesley Cocoa International Pte Ltd, which will represent the Company in its operations in Singapore.

The Company considers that the vertical integration of cocoa beans trading and cocoa processing operations should allow the Group to establish itself as one of the leading players in the Indonesian cocoa industry. The establishment of the cocoa processing operation will enable the Company to produce specific semi-finished cocoa products, which are essential ingredients used in the manufacturer of chocolate-edibles, cosmetics and pharmaceutical products.

The Board would like to inform the shareholders that the Company has identified an appropriate tract land in Singapore for this construction and the directors of the Company are currently negotiating the terms and price with the land owner. However, developments are at a preliminary stage, no definitive lease agreement has yet been signed and no construction work has commenced as at the date of this announcement. The Company has, however, expressed its intention to lease the land.

On behalf of the Board
Harmiono Judianto
Chairman

Jakarta, Indonesia, 28 September 2006

As at the date of this announcement, Mr. Harmiono Judianto, Mr. Rudi Zulfian and Ms. Roseline Marjuki are the executive directors of the Company, and Mr. Gandhi Prawira, Ms. Novayanti, Ms. Goh Hwee Chow, Jacqueline and Ms. Wang Poey Foon, Angela are the independent non-executive directors of the Company.

* for identification purposes only

"Please also refer to the published version of this announcement in The Standard."