

**PAN SINO INTERNATIONAL HOLDINGS LTD:  
THIS INDONESIA-BASED, COCOA-BEAN TRADER  
TOOK HONGKONG INVESTORS' MONEY,  
BUT NEVER USED IT**

**And Nobody Seems To Care**

Silence is golden, the proverb goes, but, on occasions, one may like to ask the question:

*'For whom is it golden?'*

The English poet George Wither wrote, in the 17<sup>th</sup> Century:

*'And I oft have heard defended,  
Little said is soonest mended.'*

In the case of Pan Sino International Holdings Ltd () (Code: 502, Main Board, The Stock Exchange of Hongkong Ltd), the silence from Senior Management of this company, which is supposed to be engaged in trading in cocoa beans, may well prove to be costly to minority shareholders, but '*golden*' for certain other parties, no doubt.

Pan Sino International went public in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on November 25, 2003, when it pitched an Initial Public Offering (IPO), raising about \$HK94.80 million in that cash-raising exercise.

In April 2005, it raised another \$HK47.80 million in what was termed a '*Pre-Migration Placing*' – that means that it transferred its listing from The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd to the Main Board of The Stock Exchange of Hongkong Ltd.

In all, therefore, Management of Pan Sino International raised about \$HK142.60 million from the investing public of the HKSAR.

Of that amount of money, it has employed, exactly, \$HK375,000.

At the time of its flotation on The GEM, Management said that it wanted to raise money for the following purposes:

1. \$HK62.70 million to expand the business of the company;
2. \$HK27.60 million to increase the company's warehousing facilities;
3. \$HK600,000 for marketing activities; and,
4. \$HK3.50 million to be tipped into the General Working Capital Account.

On December 24, 2007, Mr Abdi A Rasdita, a Director of the company, stated on the final page of the 2007

## Interim Report:

*‘Set out below is a comparison of the Group’s actual use of proceeds for the period since its listing on GEM in December 2003 up to 30th June, 2007 including its intended use of proceeds as stated in the Listing Document dated 27th January, 2006 (the “Listing Document”):*

<i>Intended uses of proceeds stated in the Listing Document</i>	<i>Proceeds from Initial Intended uses</i>	<i>Actual Application of the proceeds up of the</i>
	<i>Public Offering in December 2003 HK\$'000</i>	<i>from Pre- Migration to 30th June, Placing 2007 HK\$'000</i>
— Expand into other cocoa-related business	62,700	47,800
— 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	<u>3,900</u>	<u>—</u>
<b>Net fund raised/used</b>	<b><u>94,800</u></b>	<b><u>47,800</u></b>

*‘The Board after due consideration decided to reserve the entire amount of the net proceeds from the Pre-Migration Placing for the development of the general working capital of the Company’s cocoa processing operations. The unused proceeds are now being placed on interest-bearing deposits with licensed banks in Indonesia ...’*

Charming!

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