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## **PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED**

**太平洋恩利國際控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1174)**

### **SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE SIX-MONTH PERIOD ENDED 28 SEPTEMBER 2009**

This announcement is to advise the shareholders of the Company regarding the 2009 Final Scrip Dividend Scheme with a cash option, how the final scrip dividend entitlements are derived and further details with respect to the election for the Scrip Dividend Shares and/or cash in lieu and other related information.

The market value of a new Share to be allotted pursuant to the 2009 Final Scrip Dividend Scheme has been set at HK\$1.43, being the average of the closing prices per Share traded on the Stock Exchange for the 5 consecutive trading days up to and including 21 January 2010 less a discount of 20%.

#### **INTRODUCTION**

On 21 January 2010, the board of directors (the “**Board**”) of the Company announced the results of the Company for the six-month period ended 28 September 2009 and recommended the payment of final dividend of HK1.7 cents per share of the Company (the “**Share**”) for the six-month period ended 28 September 2009, payable to the shareholders of the Company (the “**Shareholders**”) whose names were recorded on the register of Shareholders as at the close of business on 15 March 2010 (the “**Record Date**”) with a scrip alternative to offer the right to Shareholders to elect to receive the final dividend wholly or partly by allotment of new Shares credited as fully paid (the “**Scrip Dividend Shares**”) in lieu of cash dividend (the “**2009 Final Scrip Dividend Scheme**”).

## THE APPROVAL OF THE 2009 FINAL SCRIP DIVIDEND SCHEME

At the annual general meeting of the Company held on 22 March 2010, the final dividend for the six-month period ended 28 September 2009 was approved and the 2009 Final Scrip Dividend Scheme was confirmed by the Board immediately thereafter. The 2009 Final Scrip Dividend Scheme is conditional upon the granting of the approval by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the listing of and permission to deal in the Scrip Dividend Shares.

### OVERSEAS SHAREHOLDERS

To qualify for the 2009 Final Scrip Dividend Scheme, the Shareholders must at the close of business on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) either have an address in Hong Kong as shown on the register of Shareholders of the Company or have an address which is not in place where, in the Directors’ opinion (having made all necessary legal enquiries), the Scrip Dividend Shares may not be offered without compliance with registration and/or other legal or regulatory requirements of that place.

### CALCULATION OF THE NUMBER OF SCRIP DIVIDEND SHARES

For the purpose of calculating the number of Scrip Dividend Shares to be allotted, the market value of the Scrip Dividend Shares has been fixed at HK\$1.43, being the average of the closing prices per Share traded on the Stock Exchange for the 5 consecutive trading days up to and including 21 January 2010 less a discount of 20%. Accordingly, the number of Scrip Dividend Shares which the Shareholders (other than the non-qualifying overseas Shareholders) will receive in respect of the existing Shares registered in their names as at the close of business of the Record Date under the 2009 Final Scrip Dividend Scheme will be calculated as follows:

$$\begin{array}{rcccl} & & \text{Number of existing} & & \\ & & \text{Shares held at the close of} & & \\ \text{Number of Scrip Dividend} & & \text{business on 15 March 2010} & & \text{HK1.7 cents} \\ \text{Shares to be allotted} & = & \text{for which election is made} & \times & \text{(Final dividend per Share)} \\ & & \text{under the 2009 Final Scrip} & & \hline & & \text{Dividend Scheme} & & \text{HK\$1.43} \end{array}$$

### THE SCRIP DIVIDEND SHARES

The Scrip Dividend Shares to be issued pursuant to the 2009 Final Scrip Dividend Scheme will rank pari passu in all respects with the existing Shares except that they will not be entitled to the final dividend for the six-month period ended 28 September 2009. The number of Scrip

Dividend Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Dividend Shares will not be allotted but will be aggregated and sold for the benefit of the Company. Application will be made to the Stock Exchange for the granting of listing of, and permission to deal in, the Scrip Dividend Shares.

## **DESPATCH OF CIRCULAR AND FORM OF ELECTION**

A circular (the “**Circular**”) containing details of the 2009 Final Scrip Dividend Scheme together with the relevant form of election (the “**Election Form**”) will be despatched to the Shareholders on or about 12 April 2010. **Shareholders who wish to elect to receive the Scrip Dividend Shares, either in whole or in part, should complete and sign the Election Form in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 27 April 2010.**

It will be noticed from the Circular that the non-qualifying overseas Shareholders will not be permitted to participate in the 2009 Final Scrip Dividend Scheme and accordingly they will receive the final dividend for the six-month period ended 28 September 2009 wholly in cash. No Election Form will be sent to such Shareholders. The share certificates with respect to the Scrip Dividend Shares are expected to be despatched at the risk of those entitled thereto on or about 12 May 2010 and dealings of the Scrip Dividend Shares will, subject to the approval of the Stock Exchange, are expected to commence on 13 May 2010.

By order of the Board  
**Pacific Andes International Holdings Limited**  
**Chan Tak Hei**  
*Company Secretary*

Hong Kong, 23 March 2010

*As at the date of this announcement, the executive directors of the Company are Madam Teh Hong Eng, Mr. Ng Joo Siang, Mr. Ng Joo Kwee, Mr. Ng Joo Puay, Frank and Ms. Ng Puay Yee whilst the independent non-executive directors of the Company are Mr. Lew V. Robert, Mr. Kwok Lam Kwong, Larry and Mr. Tao Kwok Lau, Clement.*