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# **PAK FAH YEOW INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 239)

## **ANNOUNCEMENT**

The Board of the Company announces the following special dividends policy for the financial years 2005 and 2006.

### **Background**

Pak Fah Yeow International Limited (“the Company”) and its subsidiaries (together “the Group”) have established the well-known brand of Hoe Hin. According to the latest published audited accounts of the Group as at 31st December, 2004, the Group had accumulated undistributed profits of approximately HK\$232.6 million and cash and bank balance of approximately HK\$121.6 million (including bank deposits of approximately HK\$85 million pledged to secure general banking facilities granted to the Group which were not utilized by the Group). As at 31st December, 2004, the Company had distributable reserves for distribution of approximately HK\$71.7 million, comprising contributed surplus of approximately HK\$67.7 million and accumulated profits of approximately HK\$4 million. The Company had completed the acquisition of the property at 11th Floor, The Sun’s Group Centre, No.200 Gloucester Road, Hong Kong at the consideration of HK\$39,156,400 as announced on 17th March, 2005 which was financed by bank loan of HK\$27.4 million and the balance by internal resources. The Group currently has no material capital expansion plan. In order to enhance shareholders’ value, the board of directors of the Company (“the Board”) on 28th June, 2005 approved the following special dividends policy.

### **Special Dividends Policy**

The Board has at its board meeting held on 28th June, 2005 approved a two-year special dividends policy for paying, barring any unforeseeable circumstances, to shareholders of the Company special dividends for each of the financial years 2005 and 2006 of not less than 15% of the accumulated distributable profits (other than contributed surplus) of the Group, if any, as at 31st December, 2005 and 31st December, 2006 respectively. Such special dividends are expected to be considered and, if there are any accumulated distributable profits (other than contributed surplus), declared/recommended by the Board at the time of announcing the interim and final results of the Group for the financial years 2005 and 2006. The Board will at the same time consider and, if the Board thinks appropriate, declare/recommend interim and final dividends in addition to the special dividends according to the then financial condition of the Group for the financial years 2005 and 2006. The Board will from time to time procure its subsidiaries to declare and/or pay dividends to the

Company to enable the Company to have sufficient distributable profits available for dividends which may from time to time be declared/recommended by the Company.

By Order of the Board  
**GAN Wee Sean**  
*Chairman*

Dated the 28th day of June, 2005.

*As at the date of this announcement, (i) the executive directors of the Company are Messrs. Gan Wee Sean, Gan Fock Wai, Stephen and Chiu Sin Kuen; and (ii) the independent non-executive directors of the Company are Mr. Robert Kwan Chiu Yin, Ms. Ada Wong Ying Kay and Mr. Arnold Ip Tin Chee.*

Please also refer to the published version of this announcement in China Daily.