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PanAsialum Holdings Company Limited

榮陽實業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2078)

PROFIT WARNING

This announcement is made by PanAsialum Holdings Company Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors (the “**Board**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available, the Company may not be able to record a profit for the six months ending 31 March 2014. It is primarily due to (i) the trend of weak orders for products with higher profit margin during the second half of the financial year ended 30 September 2013 have continued into the first quarter of the financial year ending 30 September 2014; (ii) a larger head count and increasing preparation costs for the relocation of the Group’s production facilities to Nanyang City, Henan Province, the People’s Republic of China have led to the escalation of operation costs of the Group; and (iii) the continued Australian dollar weakness during the period which has caused a decline of the profits of the Group’s export sales of construction and industrial products to the Australian market.

Although the level of orders for products with higher profit margin did not reach the same level as that in the first quarter of the last financial year, the Company has recently experienced a gradual improvement to the level of orders for such products. The Company is cautionary optimistic on the performance of the Company for the entire financial year ending 30 September 2014.

The information contained in this announcement is only based on a preliminary assessment by the management and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Company. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the six months ending 31 March 2014 which is expected to be published in May 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
PanAsialum Holdings Company Limited
Marcus Pan
Chairman and CEO

3 March 2014

As at the date of this announcement, the executive directors of the Company are Mr. Marcus Pan, Ms. Shao Lidan, Mr. Fung Chi Kong Felix, Mr. Lee Hui Fu and Ms. Ng Bonnie Po Ling, and the independent non-executive directors of the Company are Mr. Tsang Wah Kwong, Mr. Chan Nim Leung Leon, Mr. Wong Yee Shuen Wilson and Mr. Tse Chiang Kwok Nassar.