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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 2016

Financial Highlights

- Revenue for the fifteen months ended December 31, 2016 was approximately HK$2,236 million, a increase of 23% compared with approximately HK$1,822 million for the year ended September 30, 2015;

- Gross profit for the fifteen months ended December 31, 2016 was approximately HK$301 million, a decrease of 17% compared with approximately HK$362 million for the year ended September 30, 2015;

- Loss attributable to owners of the Company for the fifteen months ended December 31, 2016 was approximately HK$232 million, compared with a loss of approximately HK$337 million for the year ended September 30, 2015; and

- Basic loss per share for the fifteen months ended December 31, 2016 of 19.3 HK cents (year ended September 30, 2015: 28.1 HK cents).

The board (the "**Board**") of directors (the "**Directors**") of PanAsialum Holdings Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces the consolidated annual results of the Group for the fifteen months ended December 31, 2016 (the "**Period Under Review**"), together with the comparative figures as below.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fifteen months ended December 31, 2016

	Notes	**Fifteen months ended December 31, 2016** *HK$'000*	Year ended September 30, 2015 *HK$'000*
Revenue	*4*	**2,236,024**	1,821,850
Cost of sales	*4*	**(1,935,107)**	(1,460,107)
Gross profit		**300,917**	361,743
Distribution and selling expenses		**(141,680)**	(85,563)
Administrative expenses		**(339,841)**	(522,514)
Other income	*9*	**34,674**	19,422
Other losses – net	*10*	**(16,761)**	(62,357)
Operating loss		**(162,691)**	(289,269)
Finance income		**2,940**	1,204
Finance costs		**(28,566)**	(16,134)
Finance costs – net		**(25,626)**	(14,930)
Share of results of investments accounted for using the equity method	*12*	**(7,359)**	(9,493)
Loss before income tax		**(195,676)**	(313,692)
Income tax expense	*11*	**(38,023)**	(22,985)
Loss for the period/year		**(233,699)**	(336,677)
Loss attributable to:			
– Owners of the Company		**(232,001)**	(336,677)
– Non-controlling interests		**(1,698)**	–
		(233,699)	(336,677)
Loss per share for loss attributable to equity holders of the Company			
Basic and diluted *(HK cents per share)*	*14*	**(19.3)**	(28.1)

	Fifteen months ended December 31, 2016 *HK$'000*	Year ended September 30, 2015 *HK$'000*
Loss for the period/year	**(233,699)**	(336,677)
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(85,525)**	(30,691)
Share of other comprehensive income of investments accounted for using equity method	**86**	–
Total comprehensive income for the period/year	**(319,138)**	(367,368)
Attributable to:		
– Owners of the Company	**(317,354)**	(367,368)
– Non-controlling interests	**(1,784)**	–
	(319,138)	(367,368)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

	Notes	December 31, 2016 HK$'000	September 30, 2015 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**853,757**	697,613
Land use rights		**270,846**	296,400
Investments accounted for using the equity method	12	**16,107**	–
Deposits and lease prepayments		**3,167**	3,168
Prepayments for property, plant and equipment		**127,392**	88,909
		1,271,269	1,086,090
Current assets			
Inventories		**314,134**	202,787
Trade and bills receivables	5	**414,333**	500,260
Prepayments, deposits and other receivables		**106,159**	118,674
Due from a related company	7	**934**	1,774
Due from the investments accounted for using the equity method	7	**16,975**	–
Derivative financial instruments		**–**	19,442
Pledged bank deposits		**64,464**	154,629
Fixed bank deposits		**–**	8,597
Cash and cash equivalents		**35,209**	41,294
		952,208	1,047,457
Total assets		**2,223,477**	2,133,547
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**120,000**	120,000
Reserves		**988,110**	1,305,464
Equity attributable to owners of the Company		**1,108,110**	1,425,464
Non-controlling interests		**1,366**	–
Total equity		**1,109,476**	1,425,464

	Notes	December 31, 2016 HK$'000	September 30, 2015 HK$'000
LIABILITIES			
Non-current liabilities			
Obligations under finance leases – non-current portion		**4,955**	1,291
		4,955	1,291
Current liabilities			
Trade payables	*6*	**153,696**	40,502
Other payables and accrued charges		**285,601**	199,185
Due to a director	*7*	**–**	2,663
Due to the investments accounted for using the equity method	*7*	**198**	–
Derivative financial instruments		**–**	4,180
Borrowings		**559,543**	404,818
Obligations under finance leases – current portion		**19,073**	474
Deferred Income		**3,950**	–
Current income tax liabilities		**86,985**	54,970
		1,109,046	706,792
Total liabilities		**1,114,001**	708,083
Total equity and liabilities		**2,223,477**	2,133,547

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

PanAsialum Holdings Company Limited (the "**Company**") and its subsidiaries (together the "**Group**") are principally engaged in the manufacturing and trading of aluminium products. The Company is an investment holding company. The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on October 7, 2005 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares have been listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Exchange**") since February 5, 2013.

These consolidated financial statements are presented in Hong Kong Dollar ("**HK$**" or "**HKD**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors (the "**Board**") on May 31, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Exchange. The consolidated financial statements have been prepared under the historical cost convention, as modified by derivative financial instruments at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The directors of the Company (the “**Directors**”) have given careful consideration to the going concern status of the Group in light of the fact that (i) the Group incurred a loss attributable to owners of the Company of approximately HK$232 million for the fifteen months ended December 31, 2016, (ii) the Group’s current liabilities exceeded its current assets by approximately HK$157 million as at December 31, 2016 and (iii) the Group had cash and cash equivalents of approximately HK$35 million against the Group’s total borrowings (comprising borrowings and obligations under financial leases) amounted to approximately HK$579 million, which will be due within twelve months after December 31, 2016. The Directors have evaluated the Group’s current undrawn facilities and renewable borrowings and are confident that the Group is able to meet its financial obligations when they become due and payable. In order to improve liquidity, the management has been closely monitoring and managing the Group’s cash position and conducts on-going negotiations with financial institutions to ensure that the existing facilities will be successfully renewed and additional banking facilities are obtained when necessary to meet the Group’s working capital requirements.

The Directors have assessed the situation and had taken the following measures to improve its liquidity position:

(i) as at December 31, 2016, the Group has undrawn facilities of HK$524 million;

(ii) during the year ended December 31, 2017, the Group successfully obtained new borrowings of approximately HK$174 million from financial institutions in the People’s Republic of China (the “**PRC**”) that are repayable after December 31, 2017;

(iii) the Group has been negotiating with its lenders for the renewal or extension of its current borrowings as necessary when they fall due in the forthcoming twelve months. During the year ended December 31, 2017, HK$281 million of its current borrowings as at December 31, 2016 were successfully renewed or extended to a repayment date after December, 31 2017; and

(iv) the Group has been discussing with financial institutions with the view to convert or consolidate the Group’s short term borrowings into term loans or syndicate term loans.

The Directors are of the opinion that, taking into account the successful implementation of measures of the Group as described above, the uncertainty will not have significant impact to the Group and the Group will have sufficient working capital to meet its cashflow requirements in the next twelve months. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Should the going concern basis be determined to be not appropriate, adjustments would have to be made to write down the carrying amounts of the Group’s assets to their net realisable values, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2.2 Change of year end date and additional financial information

On September 30, 2016, the Board resolved to change the financial year end date of the Company from September 30 to December 31 to align it with the financial year end date of the Company's principal operating subsidiaries established in the PRC which accounts are statutorily required to be prepared with a financial year end date of December 31. Accordingly, the current financial period covers a fifteen-month period from October 1, 2015 to December 31, 2016 with the comparative financial period from October 1, 2014 to September 30, 2015 and therefore may not be comparable with figures shown for the current period.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURE

(a) New, revised or amended standards and interpretation adopted by the Group

The following new, revised or amended standards and interpretation have been adopted by the Group for the first time for the financial year beginning on or after October 1, 2015:

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortization
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

The adoption of the above new, revised or amended standards and interpretation did not result in substantial changes to the accounting policies of the Group and had no material impact on the preparation of the Group's consolidated financial statements.

(b) New and amendments to standards, interpretations and improvements not yet adopted

The following new and amendments to standards, interpretations and improvements have been issued, but are not effective for the financial year beginning on October 1, 2015 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendment to HKAS 1	Disclosure initiative	January 1, 2016
Amendment to HKAS 7	Disclosure initiative	January 1, 2017
Amendment to HKAS 12	Recognition of deferred tax assets for unrealized losses	January 1, 2017
Amendment to HKAS 16 and HKAS 41	Agriculture: bearer plants	January 1, 2016
Amendment to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortization	January 1, 2016
Amendment to HKAS 27	Equity method in separate financial statements	January 1, 2016
Amendment to HKAS 40	Transfers of investment property	January 1, 2018
Amendment to HKFRS 2	Classification and measurement of share-based payment transactions	January 1, 2018
Amendment to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance Contracts	January 1, 2018
HKFRS 9	Financial instruments	January 1, 2018
Amendment to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date to be determined
Amendment to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	January 1, 2016
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations	January 1, 2016
HKFRS 14	Regulatory deferral accounts	January 1, 2016
HKFRS 15	Revenue from contracts with customers	January 1, 2018
Amendment to HKFRS 15	Clarification to HKFRS 15	January 1, 2018
HKFRS 16	Leases	January 1, 2019
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration	January 1, 2018
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments	January 1, 2019
Annual improvements project	Annual improvements 2012-2014 cycle	January 1, 2016
Annual improvements project	Annual improvements 2014-2016 cycle	January 1, 2017
Annual improvements project to HKFRS 1 and HKAS 28	Annual improvements 2014-2016 cycle (amendments)	January 1, 2018

The Group estimates that the adoption of the above new standards and amendments to the existing standards in future periods is not expected to result in substantial changes to the Group's accounting policies, except the following set out below:

Amendments to HKAS 7, 'Disclosure Initiative'
The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The adoption of the amendments to HKAS 7 only affects the presentation of the consolidated statements of cash flows.

HKFRS 9, 'Financial instruments'
The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 'Financial instruments: recognition and measurement' and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("**ECL**") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 'Revenue from contracts with customers', lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after January 1, 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before February 1, 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

HKFRS 15, 'Revenue from contracts with customers'
The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

- Revenue from service – the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue.

- Accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognized as an asset under HKFRS 15.

- Rights of return – HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after January 1, 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

HKFRS 16, 'Leases'
HKFRS 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$21,395,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's performance and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after January 1, 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective and expected to have a material impact on the Group.

4. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the business from both product and geographical perspectives. The Board regularly reviews the consolidated financial statements from both product and geographical perspectives to assess performance and make resources allocation decisions. The operating segments are determined to be based on products. Management assesses the performance of the operating segments based on a measure of gross profit.

The Group derives its revenue from three product segments, namely the electronics parts, branded OPLV products and construction and industrial products which are operating in five geographical areas, namely The PRC (excluding Hong Kong), Australia, North America, Hong Kong and others.

The description of each reportable product segment is as follows:

Reportable product segment	**Type of products**
Electronics parts	Aluminium parts for consumer electronics products, examples include heat sinks and chassis for computers
Construction and industrial products	Products sold for construction and industrial use, examples include window and door frames, curtain walls, guardrails, body parts for transportation, mechanical and electrical equipment and consumer durable goods
Branded OPLV products	Door and window frames systems marketed under "OPLV" brand and sold through distributors

The segment information for the operating segments for the fifteen months ended December 31, 2016 is as follows:

	Electronics parts *HK$'000*	**Construction and industrial products** *HK$'000*	**Branded OPLV products** *HK$'000*	**Total** *HK$'000*
Sales to external customers	**1,140,822**	**805,355**	**289,847**	**2,236,024**
Cost of sales	**(962,553)**	**(690,114)**	**(282,440)**	**(1,935,107)**
Segment gross profit	**178,269**	**115,241**	**7,407**	**300,917**
Unallocated operating costs				**(481,521)**
Other income				**34,674**
Other losses – net				**(16,761)**
Finance costs – net				**(25,626)**
Share of results of investments accounted for using the equity method				**(7,359)**
Loss before income tax				**(195,676)**

The segment information for the operating segments for the year ended September 30, 2015 is as follows:

	Electronics parts *HK$'000*	Construction and industrial products *HK$'000*	Branded OPLV products *HK$'000*	Total *HK$'000*
Sales to external customers	792,326	780,291	249,233	1,821,850
Cost of sales	(614,554)	(637,415)	(208,138)	(1,460,107)
Segment gross profit	177,772	142,876	41,095	361,743
Unallocated operating costs				(608,077)
Other income				19,422
Other losses – net				(62,357)
Finance costs – net				(14,930)
Share of results of an investment accounted for using the equity method				(9,493)
Loss before income tax				(313,692)

The analysis of the Group's revenue and gross profit from external customers attributed to the locations in which the sales originated during the fifteen months ended December 31, 2016 and year ended September 30, 2015 consists of the following:

	Fifteen months ended December 31, 2016					
	The PRC	**Australia**	**North America**	**Hong Kong**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Sales to external customers	**1,751,783**	**281,813**	**41,458**	**145,924**	**15,046**	**2,236,024**
Cost of sales	**(1,549,481)**	**(226,650)**	**(33,128)**	**(111,320)**	**(14,528)**	**(1,935,107)**
Gross profit	**202,302**	**55,163**	**8,330**	**34,604**	**518**	**300,917**

	Year ended September 30, 2015					
	The PRC	Australia	North America	Hong Kong	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	1,164,220	435,851	31,796	143,076	46,907	1,821,850
Cost of sales	(927,563)	(353,873)	(26,579)	(108,283)	(43,809)	(1,460,107)
Gross profit	236,657	81,978	5,217	34,793	3,098	361,743

Details of customers accounting for 10% or more of total revenue are as follows:

	Fifteen months ended December 31, 2016	Year ended September 30, 2015
	HK$'000	*HK$'000*
PRC Customer A	**942,399**	788,802
Australia Customer B	**–**	241,902

The geographical locations of non-current assets are determined based on the countries of domicile of the companies now comprising the Group. The total of non-current assets, excluding investments accounted for using the equity method, located in respective geographical locations is as follows:

	December 31, 2016	September 30, 2015
	HK$'000	*HK$'000*
The PRC	**1,228,453**	1,072,023
Hong Kong	**11,018**	6,805
Other countries	**15,691**	7,262
	1,255,162	1,086,090

Analysis of segment assets and liabilities for each reportable segment has not been presented as such amounts are not regularly provided to the Board.

5. TRADE AND BILLS RECEIVABLES

	December 31, 2016	September 30, 2015
	HK$'000	*HK$'000*
Trade receivables – net	**408,750**	499,892
Bills receivables	**5,583**	368
Trade and bills receivables – net	**414,333**	500,260

The carrying amounts of these receivables approximate their fair values. The Group's sales are mainly made on (i) cash on delivery; and (ii) credit terms of 30 to 120 days (September 30, 2015: 30 to 120 days). The Group does not hold any collateral as security.

As at December 31, 2016, the ageing analysis of the trade and bills receivables based on due date was as follows:

	December 31, 2016	September 30, 2015
	HK$'000	*HK$'000*
Current	**328,225**	278,179
1 – 30 days	**47,860**	62,099
31 – 60 days	**9,096**	9,961
61 – 90 days	**6,138**	4,766
91 – 180 days	**4,047**	71,319
181 days – 1 year	**6,076**	73,936
More than 1 year	**12,891**	–
	414,333	500,260

6. TRADE PAYABLES

	December 31, 2016 *HK$'000*	September 30, 2015 *HK$'000*
Trade payables	**153,696**	40,502

As at December 31, 2016, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	December 31, 2016 *HK$'000*	September 30, 2015 *HK$'000*
0 – 30 days	**59,447**	18,693
31 – 60 days	**22,856**	13,681
61 – 90 days	**22,907**	4,638
Over 90 days	**48,486**	3,490
	153,696	40,502

7. DUE FROM A RELATED COMPANY, DUE FROM/ TO THE INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND DUE TO A DIRECTOR

(i) Due from a related company:

The amount due is unsecured, interest-free and repayable on demand. The carrying amount approximates its fair value.

(ii) Due from the investments accounted for using the equity method:

As at December 31, 2016, the amount due is unsecured, interest-free and repayable on demand. The carrying amount approximates its fair value.

(iii) Due to a director:

As at September 30, 2015, the balance was unsecured, interest-free and has no fixed term.

(iv) Due to the investments accounted for using the equity method:

The amounts are unsecured, interest-free and repayable on demand. The carrying amounts approximate their fair value.

8. EXPENSES BY NATURE

Expenses included in cost of sales, distribution and selling expenses and administrative expenses are analyzed as follows:

	Fifteen months ended December 31, 2016 *HK$'000*	Year ended September 30, 2015 *HK$'000*
Auditor's remuneration – current period/year	**4,700**	5,000
Operating leases – land and buildings	**17,307**	28,840
Cost of inventories recognized as expenses	**1,935,107**	1,460,107
Loss on disposal of property, plant and equipment	**769**	2,832
Employee benefit expenses	**475,886**	260,803
Depreciation:		
– Owned property, plant and equipment	**94,779**	73,787
– Leased property, plant and equipment	**3,732**	787
Amortization of land use rights	**4,678**	290
Amortization of intangible assets	**1,009**	–
Provision for impairment of intangible assets	**19,741**	–
Provision for impairment on prepayment to a supplier for purchases of raw materials	**–**	16,043
Provision for impairment on other prepayment and deposits	**7,254**	–
Impairment provision/write off of investments accounted for using the equity method *(Note 12)*	**13,965**	5,893
Write off of inventories	**12,822**	–
Write off of amounts due from an investment accounted for using the equity method	**–**	44,841
Write off of trade receivables	**2,822**	174,158
Legal and professional fees	**11,071**	12,028

9. OTHER INCOME

	Fifteen months ended December 31, 2016 *HK$'000*	Year ended September 30, 2015 *HK$'000*
Government grant[(i)]	**9,881**	–
Forfeiture of customer deposits	**5**	692
Insurance claims	**1,333**	236
Scrap sales, net	**15,515**	13,508
Others	**7,940**	4,986
	34,674	19,422

(i) Included in government grant is an amount of HK$9,421,000 (RMB7,966,000) which represented incentive from People's Government of Wolong District ("**Wolong District Government**") in accordance with the supportive preferential policy pursuant to the investment agreement for the Group's development of high technology enterprise in the Wolong District at the Nanyang Optoelectronics Industry Cluster Area in Nanyang City, Henan Province, the PRC, and there were no conditions to be fulfilled or contingencies relating to these grants.

10. OTHER LOSSES – NET

	Fifteen months ended December 31, 2016 *HK$'000*	Year ended September 30, 2015 *HK$'000*
Net exchange gains/(losses)	**4,356**	(64,640)
(Loss)/gain on derivative financial instruments		
– foreign exchange forward contracts	**(8,503)**	28,035
Loss on derivative financial instruments		
– aluminium futures contracts	**(12,614)**	(25,752)
	(16,761)	(62,357)

11. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for the fifteen months ended December 31, 2016 (year ended September 30, 2015: Same).

The Group's operations in the PRC are subject to the PRC corporate income tax. No PRC corporate income tax has been provided as the Group has no estimated assessable profit for the fifteen months ended December 31, 2016 (year ended September 30, 2015: Same). The standard PRC corporate income tax rate was 25% for the fifteen months ended December 31, 2016 (year ended September 30, 2015: Same).

Pursuant to Article 12 of Decree-Law No. 58/99/M issued by the Macao Government, OPAL is exempted from Macao Complementary Tax during the fifteen months ended December 31, 2016 (year ended September 30, 2015: Same).

	Fifteen months ended December 31, 2016	Year ended September 30, 2015
	HK$'000	*HK$'000*
Hong Kong profits tax		
– current period/year	**1,845**	1,213
– under-provisions in respect of prior years	**28,032**	–
Overseas taxation		
– current period/year	**8,146**	21,772
	38,023	22,985

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts and the movements of the Group's investments accounted for using the equity method recognized in the consolidated statement of financial position are as follows:

	December 31, 2016	September 30, 2015
	HK$'000	*HK$'000*
Investments in the joint ventures	**16,107**	–
Investments in the associated companies	**–**	–
	16,107	–

	December 31, 2016 HK$'000	September 30, 2015 HK$'000
At beginning of period/year	–	15,399
Investment cost	38,923	–
Share of results of investments accounted for using the equity method	(7,359)	(9,493)
Share of other comprehensive income	86	(13)
Impairment provision/write off *(Note 8)*	(13,965)	(5,893)
Exchange differences	(1,578)	–
At end of period/year	16,107	–

13. DIVIDENDS

No dividend has been paid or declared by the Company during the fifteen months ended December 31, 2016 (year ended September 30, 2015: Nil).

14. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss for the period/year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period/year.

	Fifteen months ended December 31, 2016	Year ended September 30, 2015
Loss attributable to equity holders of the Company *(HK$'000)*	(232,001)	(336,677)
Weighted average number of ordinary shares in issue less shares held for share award scheme *(thousands)*	1,199,405	1,199,405

(b) Diluted

Diluted loss per share is of the same amount as the basic loss per share as there were no potential dilutive ordinary shares outstanding as at December 31, 2016 (September 30, 2015: same).

15. EVENTS AFTER THE REPORTING PERIOD

The following events took place subsequently to December 31, 2016:

(a) Disposal of OPLV entities

On December 28, 2017, the Company (through its wholly-owned subsidiaries) as the vendors, the purchasers, which are companies beneficially owned by Ms Shao, and Ms Shao entered into the agreement, pursuant to which the vendors conditionally agreed to sell and the purchasers conditionally agreed to purchase all the shares of OPLV (Nanyang) Doors and Windows Systems Co., Ltd and OPLV Architectural Design Pty Ltd. The vendors shall also procure the accounts receivable to be transferred or assigned to the purchasers. The consideration was estimated to be at an aggregate of RMB20 million. Upon completion of the disposal, the Group will cease to have any interest in the above entities and their subsidiaries and their financial results will no longer be consolidated into the Company's consolidated financial statements. As at the date of this announcement, the transaction has yet to be completed.

(b) Potential disposal of land use rights in Zengcheng

As disclosed in the announcement of the Company dated October 1, 2013, the Company has planned to relocate its current production facilities in Zengcheng in Guangdong Province to Nanyang City in Henan Province.

In late February 2018, the Guangzhou Urban Renewal Bureau announced that the Zengcheng land where the Group's Zengcheng factory situated fell under the Zengcheng city's redevelopment scheme. Subject to formal documentation converting the usage of land from industrial use to commercial and residential use, the Group's Zengcheng production plant moved out from the existing site and there were further discussion and negotiation with relevant government authorities. The Group will likely be benefitted from the potential improvement in value of the Zengcheng land.

As at the date of this announcement, the transaction has yet to be completed.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

QUALIFIED OPINION

BDO Limited was engaged to audit the consolidated financial statements of the Group. The section below sets out an extract of the independent auditor's report regarding the consolidated financial statements of the Group for the fifteen months ended 31 December 2016 (the "**Period**").

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the Period in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

(1) Prepayments to a supplier

As set out in Note 2.1.3(A) to the consolidated financial statements, the Group recognised an impairment provision of RMB25,999,000 (equivalent to HK$33,014,000) against the prepayments made to Supplier A as at September 30, 2014. During the year ended September 30, 2015, the Group continued to make prepayments to Supplier A totalling RMB12,696,000 (equivalent to HK$16,043,000) for the purchase of aluminium ingots; however no aluminium ingots were subsequently delivered to the Group by Supplier A in relation to the prepayments made during the year ended September 30, 2015 and therefore the Group recognised an impairment provision of RMB38,695,000 (equivalent to HK$49,057,000) against the prepayments made to Supplier A as at September 30, 2015. The prepayments to Supplier A after impairment provision, amounted to RMB5,430,000 as at September 30, 2015 and December 31, 2016 (equivalent to December 31, 2016: HK$6,094,000; September 30, 2015: HK$6,866,000) were subsequently recovered through the legal proceedings against Supplier A as described in Note 2.1.3(A). During the Period, no further payment to Supplier A was recorded by the Group and there was no subsequent further provision or reversal of provision recognized.

Management was unable to provide us with satisfactory evidence about the background of Supplier A, as well as the business rationale and commercial substance of the prepayments made to Supplier A. We did not obtain direct confirmation reply from Supplier A to confirm any prepayment made to it during the Period as well as the outstanding prepayment balances to Supplier A as at December 31, 2016. Notwithstanding our requests to management, we were also unable to interview with Supplier A to ascertain the amounts and nature of the prepayments made to Supplier A.

As such, we were not able to obtain sufficient appropriate audit evidence to ascertain the nature, occurrence, accuracy, completeness and presentation of the gross prepayments in the amount of HK$55,151,000 made to Supplier A as at December 31, 2016 (September 30, 2015: HK$55,923,000), and the related accumulated impairment provision amounted to HK$49,057,000 as at December 31, 2016 (September 30, 2015: HK$49,057,000) and any recognition of impairment provision for the Period (for the year ended September 30, 2015: HK$16,043,000). There were no alternative audit procedures that we could perform to satisfy ourselves as to the above-mentioned matters. Consequently, we were unable to determine whether any adjustment to these amounts was necessary.

Audit opinion on the consolidated financial statements for the year ended September 30, 2015 was also modified on the same basis as mentioned above regarding nature, occurrence, accuracy, completeness and presentation of the total prepayments made to Supplier A of RMB12,696,000 (equivalent to HK$16,043,000) during the year ended September 30, 2015 and whether the impairment charge of RMB12,696,000 (equivalent to HK$16,043,000) recognised during the year ended September 30, 2015 and the net prepayment balance to suppliers of HK$25,297,000 as at the same date were fairly stated, which were included in "Prepayments, deposits and other receivables" as detailed in Note 19 to the consolidated financial statements. Any adjustments to the prepayments and any impairment provision to be recognised as at September 30, 2015 and December 31, 2016 would have a consequential impact on the Group's net assets as at September 30, 2015 and December 31, 2016 and the Group's financial performance for the Period. Our opinion on the Period's consolidated financial statements is also modified because of the possible effects of the adjustments to prepayments and any impairment provision to be recognised for the year ended September 30, 2015 on the comparability of the Group's financial performance for the year ended September 30, 2015 and the Period.

(2) Receivables from, and possible relationship with, certain customers

An investigation was performed by an independent professional advisor and was completed in August 2017 (the "**Investigation**"). The Investigation and other documents revealed the findings regarding the transactions, amounts and possible relationships between the Group and certain customers. A customer in Australia together with its subsidiaries and affiliates (collectively the "**Australia Customers**") was one of the Group's largest customers in prior years. Due to a group restructuring of the Australia Customers, two new companies were incorporated in Australia in April 2014 ("**Australia Customer A**" and "**Australia Customer B**"). In May 2014, Australia Customer A agreed to assume, from the Australia Customers, the payment obligations of the trade payables to the Group totalling HK$319,503,000. Since May 2014, Australia Customer B had begun to act as an import agent for Australia Customer A.

Meanwhile, the Group started recording sales to another new customer ("**Customer C**") during the year ended September 30, 2014.

As set out in Note 2.1.3(B) to the consolidated financial statements, the Investigation revealed possible connections between certain relatives of the former chairman of the Company with Australia Customer A and Australia Customer B. There were also possible connections between some of the Australia Customers and Supplier A. In addition, there was evidence indicating that certain goods sold to Customer C were resold to Australia Customer B.

Furthermore, Australia Customer A and Australia Customer B delayed in settlement and the outstanding trade receivables from them became long overdue as at September 30, 2014. Customer C had delayed its settlement which the Group had continuously demanded for settlement but in vain. After taking into account the subsequent collections and balances recovered from the relevant legal actions as set out in Note 2.1.3(B) to the consolidated financial statements, total outstanding trade receivables of HK$100,102,000 from Australia Customer A, Australia Customer B and Customer C were written off during the year ended September 30, 2014.

During the year ended September 30, 2015, while there were no recorded sales to Australia Customer A, the Group continued to record sales to Australia Customer B and Customer C of HK$241,902,000 and HK$36,352,000, respectively. The trade receivable balances (before the write-off in the year ended September 30, 2015) outstanding from Australia Customer B and Customer C were HK$225,398,000 and HK$32,797,000, respectively as at September 30, 2015.

Furthermore, Australia Customer B delayed in settlement and the outstanding trade receivables from it became long overdue as at September 30, 2015. Customer C had delayed its settlement which the Group had continuously demand for settlement but in vain. After taking into account the subsequent collections and balances recovered from the relevant legal actions as set out in Note 2.1.3(B) to the consolidated financial statements, total trade receivables from Australia Customer B and Customer C of HK$137,806,000 and HK$36,352,000, respectively, in relation to the sales executed during the year ended September 30, 2015, had been written off in the same year.

During the Period, no further sales to Australia Customer A, Australia Customer B and Customer C were recorded by the Group. After taking into account the subsequent collections and balances recovered from the relevant legal actions as set out in Note 2.1.3(B) to the consolidated financial statements, total trade receivables from Australia Customer A and Australia Customer B of HK$2,822,000 had been fully written off in the Period.

Management was not able to provide us with sufficient information and explanations about the background of Australia Customer A and Australia Customer B as well as their relationship with the Australia Customers, and the business rationale to accept the assignment of trade receivables of HK$319,503,000 from the Australia Customers to Australia Customer A (which was newly incorporated in April 2014). Notwithstanding our requests to management, we were also unable to obtain satisfactory explanations and adequate evidence from management to ascertain the relationship, if any, between the Group and Australia Customer A and Australia Customer B, and between Customer C and Australia Customer B and/or Australia Customer A (and therefore the relationship of Customer C, if any, with the Group), nor were we able to interview the relevant counterparties identified in the Investigation. We were also unable to obtain the satisfactory confirmation replies from Australia Customer A, Australia Customer B and Customer C to confirm the trade receivable balances with them as at December 31, 2016.

Management was also not able to provide us with adequate evidence to support the rationale of recognising the write-off of trade receivables from Australia Customer B and Customer C during the year ended September 30, 2015 and the Period and as at December 31, 2016, and of the impairment assessment of the outstanding trade receivables from Customer C.

Because of the above scope limitations, we are not able to obtain sufficient appropriate audit evidence to satisfy ourselves as to:

(i) whether the Group had any related party relationships with the Australia Customers, Australia Customer A, Australia Customer B and Customer C, and thus the accuracy and completeness of the disclosures of related party balances and transactions in the Group's consolidated financial statements as at December 31, 2016 and for the Period; and

(ii) whether the total write-off amounts of trade receivables from Australia Customer A, Australia Customer B and Customer C of HK$277,082,000 recognised up to December 31, 2016 were fairly stated; and whether these write-offs were recognised in the proper accounting periods.

Consequently, we were not able to determine whether any adjustment to these amounts and disclosures was necessary.

Audit opinion on the consolidated financial statements for the year ended September 30, 2015 was also modified on the same basis as mentioned above regarding (a) whether the Group had any related party relationships with the Australia Customers, Australia Customer A, Australia Customer B and Customer C, and thus the accuracy and completeness of the disclosures of related party balances and transactions; and (b) whether the write-off of trade receivables from Australia

Customer B and Customer C totalling HK$174,158,000 recognised during the year ended September 30, 2015 and the total write-off amounts of trade receivables from Australia Customer A, Australia Customer B and Customer C recognised up to September 30, 2015 of HK$274,260,000 were fairly stated, which were included in "Trade and bills receivables" as detailed in Note 19 to the consolidated financial statements and whether those write-offs were recognised in the proper accounting periods. Any adjustments to the trade receivables and any write-offs to be recognised or reversed as at September 30, 2015 and December 31, 2016 would have a consequential impact on the Group's net assets as at September 30, 2015 and December 31, 2016 and the Group's financial performance for the Period.

Our opinion on the Period's consolidated financial statements is also modified because of the possible effects of the above matters on the comparability of the Group's financial performance for the year ended September 30, 2015 and the Period.

(3) Investment in and advances to, and possible relationship with, an associated company

As set out in Note 2.1.3(C) to the consolidated financial statements, the Group had in August 2014 invested an amount of HK$17,524,000 to acquire a 45% equity interest in Leading Sense Limited ("**Leading Sense**"), which was accounted for as an associated company of the Group. As at September 30, 2015, the Group recorded an outstanding advance of HK$44,841,000 (before write-offs) to Leading Sense and its subsidiaries (the "**Leading Sense Group**").

Based on the findings of a legal adviser of the Company, possible connection between one of the registered shareholders of Leading Sense and the former chairman of the Company was identified.

Management was not able to obtain the financial information of the Leading Sense Group as no financial information was prepared by the Leading Sense Group, nor were they able to contact the other shareholders or management of the Leading Sense Group since January 2015. Based on management's impairment assessment, the Group had fully written off its remaining carrying value of investment in an associate company of HK$5,893,000 and amounts due from an associated company of HK$44,841,000 during the year ended September 30, 2015. No material subsequent reversal of write-off was recognised for the Period.

Management was not able to provide us with the details of the background of Leading Sense's shareholders as well as the business rationale and commercial substance of the advances to the Leading Sense Group. No satisfactory confirmation reply was obtained by us from Leading Sense in relation to the outstanding advance balance. Notwithstanding our requests to management, we were also not able to obtain satisfactory explanations and adequate evidence from management to ascertain whether there are other relationships between the Leading

Sense Group and the Group, nor were we able to interview with the relevant counterparties in relation to the investment in Leading Sense. Management was also unable to provide us with satisfactory explanations and adequate information to support their impairment assessment of the investment and advance balances, together with the basis and rationale of recognising the write-off during the year ended September 30, 2015 and their basis for assessing the carrying amounts of the investment and advances balance as at December 31, 2016. Notwithstanding our requests to management, we were also not able to obtain the latest financial information of the Leading Sense Group for the year ended September 30, 2015 and the Period nor were we able to get access to the financial records and interview with the management of the Leading Sense Group. We were therefore not able to ascertain whether there should be any share of results from the Leading Sense Group or any reversal of write-off to be recognised by the Group for the Period, which would have consequential impacts on the Group's investment in and advances to the Leading Sense Group as at December 31, 2016.

Because of the above scope limitations, we are not able to obtain sufficient appropriate audit evidence to satisfy ourselves as to:

(i) the business rationale and the commercial substance of the advances to the Leading Sense Group;

(ii) the existence or occurrence, accuracy and completeness of the Group's advances to the Leading Sense Group;

(iii) whether the effects of these transactions had been properly accounted for, classified and disclosed, including whether the write-off of the investment and amounts due from an associated company totalling HK$50,734,000 as at December 31, 2016 were fairy stated; and

(iv) whether the investment in an associated company of HK$Nil and the share of its results of HK$Nil were fairly stated in the Group's consolidated financial statements as at December 31, 2016 and for the Period.

Consequently, we were not able to determine whether any adjustment to these amounts and disclosures was necessary.

Audit opinion on the consolidated financial statements for the year ended September 30, 2015 regarding the above matters (i) to (iv) was also modified on the same basis as mentioned above on the carrying value of the investment in and advances to the Leading Sense Group of HK$Nil as at September 30, 2015, which were included in "Investments accounted for using the equity method" and the amount due therefrom as detailed in Notes 16(b) and 20(ii) to the consolidated financial statements, respectively. Any adjustments to the related investments, advances, transactions and any write-offs to be recognised in relation to the Leading Sense Group as at September 30, 2015 and December 31, 2016 would have a consequential impact on the Group's net assets as at September 30, 2015 and December 31, 2016 and the Group's financial performance for the Period.

Audit opinion on the consolidated financial statements for the year ended September 30, 2015 regarding whether the write-off of the investment and amounts due from an associate company totalling HK$50,734,000 recognised and the related cash flows presentation during the year ended September 30, 2015; and whether the investment in an associated company of HK$Nil and the share of its loss of HK$9,493,000 were fairly stated in the Group's consolidated financial statements as at September 30, 2015 and for the year then ended was modified on the same basis as mentioned above. Our opinion on the Period's consolidated financial statements is also modified because of the possible effects of this matter on the comparability of the Group's financial performance and the related cash flows presentation for the year ended September 30, 2015 and the Period.

(4) Transactions conducted through personal bank account and cash transactions

During the year ended September 30, 2015, the current board of directors of the Company (the "**Current Board**") identified certain records setting out certain transactions that were conducted either through a personal bank account opened in the name of the spouse of an employee of the Group or in cash. These transactions were not previously accounted for or recorded in the Group's consolidated financial statements for the year ended September 30, 2015.

The transaction records indicated that there were proceeds from sales of scraps, which were then used for payments of salaries to employees of the Group or expense reimbursements to certain employees of the Group, including the chief executive officer and an executive director of the Company. The transaction records indicated the total proceeds from sales of scraps amounted to HK$8,199,000 and the total payment of expenses amounted to HK$7,848,000 for the year ended September 30, 2015.

The Current Board considered these transactions were attributable to the Group, and therefore total other income of HK$8,199,000 and administrative expenses of HK$7,848,000 were recorded in the Group's consolidated statement of comprehensive income for the year ended September 30, 2015.

Due to the inability to obtain sufficient appropriate audit evidence regarding the above transactions and the related tax impacts, if any, audit opinion on the consolidated financial statements for the year ended September 30, 2015 was modified accordingly. Our opinion on the Period's consolidated financial statements is also modified because of the possible effects of the above-mentioned matter on the comparability of the Group's financial performance and the related cash flows presentation for the year ended September 30, 2015 and the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Business and Financial Overview

The financial year end date of the Company has been changed from September 30 to December 31 in order to align with the Company's financial year end date with its principal operating subsidiaries incorporated in the People's Republic of China (the "**PRC**"). Such change is made in response to the increase in number of Company's subsidiaries incorporated in the PRC during the recent years. Accordingly, the current financial period covers a period of fifteen months from October 1, 2015 to December 31, 2016 which may not be entirely comparable with last year's results which cover a period of twelve months.

The Group is an aluminium products manufacturer based in Guangdong Province, the PRC, with a large and diverse portfolio of high quality products. We manufacture three categories of products: (i) Electronics Parts, (ii) Construction and Industrial Products and (iii) Branded OPLV Products.

The total operating revenue of the Group for the fifteen months period from October 1, 2015 to December 31, 2016 ("**Period Under Review**") was HK$2,236 million (year ended September 30, 2015: HK$1,822 million), representing an increase of 23% as compared with the year ended September 30, 2015. The Group's overall gross profit margin dropped from 20% for the year ended September 30, 2015 to 14% for the Period Under Review; Net loss after tax attributable to shareholders had significantly reduced from HK$337 million for the year ended September 30, 2015 to HK$232 million for the Period Under Review. The reduction in net loss were due to (i) increase in the sales orders for Electronics Parts leading to improved sales performance; (ii) absence of or reduction in certain one-off adjustments (including the write-off of the investment accounted for using the equity method and the amount due from the investment accounted for using the equity method); and (iii) significant reduction in the write-off of trade receivables from former Australian Customers of the Group for the Period Under Review.

Comparing the Period Under Review with the year ended September 30, 2015, revenue from the Electronics Parts segment, Construction and Industrial Products segment and Branded OPLV Products segment has increased by 44%, 3% and 16% respectively.

Revenue contributions by the respective segments for the fifteen months ended December 31, 2016 and year ended September 30, 2015 are presented below:

	Revenue for the		The percentage of total revenue for the	
	Fifteen months ended December 31, 2016	Year ended September 30, 2015	**Fifteen months ended December 31, 2016**	Year ended September 30, 2015
	(HK$ million)	*(HK$ million)*		
Business Segment				
– Electronics Parts	**1,141**	793	**51.0%**	43.5%
– Construction and Industrial Products	**805**	780	**36.0%**	42.8%
– Branded OPLV Products	**290**	249	**13.0%**	13.7%
Total	**2,236**	1,822	**100.0%**	100.0%
Geographical Segment				
– The PRC	**1,751**	1,164	**78.3%**	63.9%
– Australia	**282**	436	**12.6%**	23.9%
– North America	**42**	32	**1.9%**	1.8%
– Hong Kong	**146**	143	**6.5%**	7.8%
– Others	**15**	47	**0.7%**	2.6%
Total	**2,236**	1,822	**100.0%**	100.0%

Electronics Parts

The Electronics Parts segment contributed approximately HK$1,141 million to the total revenue of the Group, representing an increase of 44% as compared with HK$793 million for the year ended September 30, 2015 due to an increase in sales order from a major customer. Gross profit margin decreased to 16% for the Period Under Review as compared with 22% for year ended September 30, 2015.

Construction and Industrial Products

The revenue and gross profit margin of the Construction and Industrial Products segment were HK$805 million (year ended September 30, 2015: HK$780 million) and 14% (year ended September 30, 2015: 18%) respectively for the Period Under Review. There was a 2% increase in sales in Hong Kong but a drop of 35% in the sales to Australia. The increasing prices of aluminium and other raw material have hindered the export sales to Australian customers.

Branded OPLV Products

The Group had continued the Branded OPLV Products market in Mainland China by engaging new distributors for selling Branded OPLV Products. Sales increased from HK$249 million for the year ended September 30, 2015 to HK$290 million for the Period Under Review. The gross profit margin of Branded OPLV Products decreased from 16% for the year ended September 30, 2015 to 3% for the Period Under Review. Facing the fierce competition in the door and windows market, along with the low gross profit margin and high marketing costs, the Branded OPLV Products segment continued to be a loss-making operation in the Period Under Review.

In order to prevent further loss to the Group, the management of the Company has decided to dispose this loss-making operation for better allocation of the Group's resources.

On December 28, 2017, the Group entered into a conditional sales and purchase agreement to dispose of its entire equity interest in OPLV (Nanyang) Doors and Windows Systems Co., Ltd and OPLV Architectural Design Pty Ltd. Details of the disposal of the Branded OPLV products segment are set out in the section "Events after the reporting period" in the notes to the consolidated financial statements of this announcement and the announcement of the Company dated December 28, 2017.

Cost of sales

With the significant increase in sales, cost of sales increased by 33% from HK$1,460 million for the year ended September 30, 2015 to HK$1,935 million for the Period Under Review. This was in line with the increase in sales from HK$1,822 million for the year ended September 30, 2015 to HK$2,236 million for the Period Under Review.

Gross profit

Despite the decrease of gross profit from HK$362 million for the year ended September 30, 2015 to HK$301 million for the Period Under Review, our gross profit margin has dropped from 20% for the year ended September 30, 2015 to 14% for the Period Under Review. The Group has been actively seeking ways to reduce sales of lower gross profit margin products to achieve a higher overall gross profit margin for this fiscal period. Yet, the persisting unfavorable macro factors, including the volatility in each of the market the Group operates and the uncertainty over the economic condition in China, had dampened consumer sentiment and reduced the demand of the Group's products.

Distribution and selling expenses

Distribution and selling expenses increased by 66% from HK$86 million for the year ended September 30, 2015 to HK$142 million for the Period Under Review. The increase was in line with the increase in sales, which led to a significant increase in the transportation and travelling expenses.

Administrative expenses

Administrative expenses dropped by 35% from HK$523 million for the year ended September 30, 2015 to HK$340 million for the Period Under Review. The decrease was due to the absence of one-off adjustments including the provision for impairment on prepayment to a supplier for purchase of raw materials, the write-off of investment amounted for using the equity method and the amount due from the investment amounted for using the equity method, and significant reduction in the write-off of trade receivables from the Group's former customers in the Period Under Review.

Other income

Other income comprised net sales of scrapped materials which was HK$16 million for the Period Under Review.

Other losses – net

Other losses decreased from a HK$62 million loss for the year ended September 30, 2015 to a HK$17 million loss for the Period Under Review. The decrease was mainly due to the relatively stable exchange rate of AUD against HKD during the Period Under Review as compared to during the year ended September 30, 2015 which the Group had incurred significant exchange losses.

Finance income

Finance income mainly comprised interest income which amounted to approximately HK$3 million for the Period Under Review compared to HK$1 million for the year ended September 30, 2015.

Finance costs

Finance costs amounted to approximately HK$29 million for Period Under Review compared to HK$16 million for the year ended September 30, 2015.

Income tax expense

Our income tax changed from income tax expense of HK$23 million for the year ended September 30, 2015 to HK$38 million for the Period Under Review.

Currency translation differences in other comprehensive income

Currency translation differences amounted to approximately HK$86 million for the Period Under Review, which was mainly attributable to the weakening of RMB against the HKD.

Adjusted EBITDA results, excluding non-recurring items

	Fifteen months ended December 31, 2016 *HK$ million*	Year ended September 30, 2015 *HK$ million*
Loss before income tax	**(196)**	(314)
Adjusted by:		
Depreciation	**99**	75
Amortisation	**6**	–
Interest expenses	**29**	16
Adjusted by:		
Other non-recurring items:		
Legal and professional fee	**4**	3
Provision for impairment on prepayment to a supplier for purchase or raw materials	**–**	16
Provision for impairment on other prepayment and deposits	**7**	–
Share of results of investment accounted for using the equity method (the Leading Sense Group)	**–**	9
Write off of investment accounted for using the equity method (the Leading Sense Group)	**–**	6
Write off of amount due from an investment accounted for using the equity method (the Leading Sense Group)	**–**	45
Write off of trade receivables	**3**	174
OPLV operating losses *(Note)*	**108**	19
Total	**60**	49

Note: Details of the disposal of the OPLV are set out in the section "Events after the reporting period" in the notes to the consolidated financial statements of this report and the announcement of the Company dated December 28, 2017.

Prospects/Future Business Development

To utilize the opportunities arising from global integration and the "Belt and Road" initiative, the Group has steadily expanded its overseas sales network. We have established subsidiaries in different countries like UK and Singapore and continued to expand our footprint in various regions, laying a solid foundation for the Group's future business development.

Although sales of Electronics Parts for Period Under Review declined, customers in this segment were expected to bring in a higher profit margin to the Group than other segments. Going forward, the Group will continue to strive to catch opportunities in the Electronics Parts business by widening its customer base, developing new products and further strengthening relationship with major customers. Our ongoing efforts to develop new products based on market demand are progressing, and our R&D department is striving diligently to achieve the goals. Recently, the Group has passed the requirements of International Automotive Task Force on IATF16949:2016. Looking forward, the Group will be able to accept sales order for the manufacturing of different aluminium alloy automobile parts and components using extrusion processes.

As disclosed in the announcement of the Company dated October 1, 2013, the Company has planned to relocate its current production facilities in Zengcheng in Guangdong Province to Nanyang City in Henan Province, the PRC and establish a new aluminium alloy production base there. With the new Nanyang facility, the Group can integrate better its existing production facilities and expand its production capacity further to meet the growing demand of high quality products.

Phase 1 of the Group's integrated manufacturing facility for aluminium alloy products in Nanyang begun production on October 23, 2015.

Details of the construction and commencement of the production of the Nanyang production facility are set out in the announcements of the Company dated April 8, 2015, October 23, 2015 and November 17, 2015.

On April 10, 2015, PanAsia Aluminium (Hong Kong) Limited ("**PAHK**"), a wholly-owned subsidiary of the Company, entered into an investment agreement with the Jimsar County Government by establishing and investing in a new wholly owned subsidiary with an estimated aggregate capital of at least RMB200 million (equivalent to approximately HK$254 million) at Xinjiang to produce high-end aluminium rods and aluminium rolled products ("**Xinjiang Project**"). On December 18, 2015, the Group entered into an agreement with Jimsar Bureau of Land and Resources吉木薩爾縣國土資源局 ("**JBLR**") by purchasing a piece of land in that region with a consideration of approximately RMB3.6 million (equivalent to approximately HK$4.4 million), which was waived by the JBLR.

Aluminium ingots are the principal raw material for the Group's production process. The process of smelting the aluminium ingots and turning them into aluminium rods incurs high cost and wastage. The establishment of a production base in Jimsar of Xinjiang would enable the Group to produce aluminium rods by skipping the ingot smelting process and save production costs and time. It is also expected to provide a more stable source of supply of raw material to the Group.

Details of the investment agreement for the Xinjiang Project are set out in the announcement of the Company dated April 13, 2015.

On December 28, 2017, the Group entered into a conditional sales and purchase agreement to dispose of its entire equity interest in OPLV (Nanyang) Doors and Windows Systems Co., Ltd and OPLV Architectural Design Pty Ltd. Details of the disposal of the Branded OPLV Products segment are set out in the section "Events after the reporting period" in the notes to the consolidated financial statements of this annual report and the announcement of the Company dated December 28, 2017.

Liquidity and Financial Resources

The Group principally finances its operations through a combination of shareholders' equity, internally generated cash flow and borrowings. As at December 31, 2016 the Group had HK$35.2 million cash and cash equivalents (September 30, 2015: HK$41.3 million) and no fixed bank deposits (September 30, 2015: HK$8.6 million), HK$64.5 million pledged bank deposits (September 30, 2015: HK$154.6 million), interest-bearing borrowings of HK$559.5 million denominated in Renminbi ("**RMB**") (September 30, 2015: HK$404.8 million denominated in RMB and USD) and obligation under finance leases of HK$24.0 million denominated in RMB and HKD (September 30, 2015: HK$1.8 million denominated in HK$).

Charges on Asset

HK$260.4 million (September 30, 2015: HK$8.5 million) of land use rights, HK$29.8 million (September 30, 2015: HK$21.1 million) of buildings, HK$82.3 million (September 30, 2015: HK$nil) of plant and machinery and HK$198.4 million (September 30, 2015: HK$162.5 million) of trade receivables of the Group were pledged as security for the Group's borrowings.

Summary of key financial ratios

	Fifteen months ended December 31, 2016	Year ended September 30, 2015
Gross Profit Margin (1)	**13.5%**	19.9%
Return on Equity (2)	**(20.9%)**	(23.6%)
Interest Coverage Ratio (3)	**(5.95)**	(18.52)

	As at December 31, 2016	As at September 30, 2015
Current Ratio (4)	**0.86**	1.48
Quick Ratio (5)	**0.58**	1.20
Gearing Ratio (6)	**52.6%**	28.5%
Debt to Equity Ratio (7)	**49.4%**	25.6%

(1) The calculation of Gross Profit Margin is based on gross profit divided by revenue and multiplied by 100%.

(2) The calculation of Return on Equity is based on profit for the year divided by total equity and multiplied by 100%.

(3) The calculation of Interest Coverage Ratio is based on profit before interest and tax expenses divided by finance costs.

(4) The calculation of Current Ratio is based on current assets divided by current liabilities.

(5) The calculation of Quick Ratio is based on current assets less inventories divided by current liabilities.

(6) The calculation of Gearing Ratio is based on total borrowings and obligations under finance leases divided by total equity multiplied by 100%.

(7) The calculation of Debt to Equity Ratio is based on total borrowings and obligations under finance leases less cash and cash equivalents divided by total equity multiplied by 100%.

Capital Structure

As at December 31, 2016 and September 30, 2015, the Company's issued share capital was HK$120,000,000, divided into 1,200,000,000 shares of HK$0.1 each.

Foreign Exchange and Other Risk

We continued to receive AUD and USD from our sales to major customers during the Period Under Review, while most of the Group's purchases of raw materials were settled in RMB. As RMB is not a freely convertible currency, any fluctuation in exchange rate of HK$ against RMB may have impact on the Group's results. We hedged AUD exchange risk against HK$ during the Period Under Review. We purchased plain foreign-exchange forward contracts to hedge the Group's exposure to foreign-exchange risk and did not enter into any high-risk derivative instrument contracts during the Period Under Review.

The Group is exposed to commodity price risk because aluminium ingots are the major raw materials of the Group's products. Any change in aluminium price could affect the Group's financial performance. During the Period Under Review, the Group has entered into future contracts traded on the Shanghai Futures Exchange in order to mitigate the risk arising from fluctuations in aluminium price.

Significant Investment, Material Acquisition and Disposal

On April 8, 2015, PanAsia Aluminium (China) Co., Ltd. ("**PACL**") entered into a construction contract with 河南冠亞建築工程有限責任公司 (the "**Contractor**") by constructing and building three CNC workshops of the Group's production facility at Nanyang, with a total consideration of approximately RMB56.9 million (equivalent to approximately HK$71.9 million). On November 17, 2015, PACL further entered into another construction contract with the Contractor by constructing and building a workshop at the Group's production facility at Nanyang, with a total consideration of approximately RMB46.6 million (equivalent to approximately HK$57.6 million). For details, please refer to the announcements of the Company dated April 8, 2015 and November 17, 2015.

On December 18, 2015, the Group entered into an agreement with JBLR by purchasing a piece of land in that region at a consideration of approximately RMB3.6 million (equivalent to approximately HK$4.4 million), which was waived by the JBLR. Details of the investment agreement for the Xinjiang Project are set out in the announcement of the Company dated April 13, 2015. During the Period Under Review, a subsidiary of the company 吉木薩爾宏睿鋁業有限公司, entered into contracts with several construction contractors and suppliers for construction of production facilities and acquisition of equipment for production of high-end aluminium rods and aluminium rolled products. Total consideration of the relevant contracts amounted to approximately RMB 118.7 million (equivalent to approximately to HK$133.2 million).

Contingent Liabilities

As at December 31, 2016, the Group had no contingent liabilities (September 30, 2015: Nil).

Subsequent Events after the Reporting Period

(a) *Changes of Directors subsequent to reporting period up to the date of this announcement are as follows:*

- Ms. Shao Liyu (ceased as the chairlady of the Company on November 9, 2017)

- Mr. Ma Yu Yan (ceased as an executive Director on May 9, 2017 due to health reason.)

- Mr. Choi Tze Kit Sammy (ceased as an independent non-executive Director on February 11, 2017 as the expiration of his term.)

- Mr. Lam Kwok Fai Osmond (ceased as an independent non-executive Director on March 21, 2017 as the expiration of his term.)

- Mr. Tang Warren Louis (ceased as an independent non-executive Director on March 21, 2017 as the expiration of his term.)

- Mr. Cosimo Borrelli (appointed as the non-executive chairman of the Company on November 9, 2017)

- Mr. Mar Selwyn (appointed as an independent non-executive Director on February 8, 2017)

- Mr. Chan Kai Nang (appointed as an independent non-executive Director on February 24, 2017 and retired on January 24, 2018)

- Mr. Leung Ka Tin (appointed as an independent non-executive Director on February 24, 2017)

- Mr. Chan Kai Lun Allan (appointed as an executive Director on March 27, 2017 and resigned on May 11, 2018)

- Mr. Zhu Hongtao (retired as an executive Director on January 24, 2018)

- Mr. Wong Kwok Wai Eddy (appointed as an executive Director on March 2, 2018)

- Dr. Cheung Wah Keung (appointed as an independent non-executive Director on March 22, 2018)

(b) Conditions for the Company's Resumption for Trading. Trading in the Shares has been suspended since December 17, 2014:

As disclosed in the Company's announcement dated March 17, 2015, the Exchange has imposed the following conditions for the resumption of trading in the shares of the Company:

(a) the Company conducted an appropriate investigation on the issues raised by the auditor of the Company during the course of their audit of the results of the Company for the year ended September 30, 2014, disclosed the findings and took any remedial actions;

(b) the Company published all outstanding financial results and addressed any audit qualifications;

(c) the Company demonstrated that it had put in place adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules; and

(d) the Company informed the market of all material information.

As disclosed by the Company dated December 19, 2014, the Company has set up a First Independent Committee comprising two independent non-executive directors of the Company, Mr. Tsang Wah Kwong (as chairman of the committee) and Mr. Cheung Chun Sing Horatio, to supervise and oversee an investigation on certain matters ("**Investigation**").

As disclosed by the Company on March 17, 2015, the First Independent Committee had engaged an independent legal adviser and appointed an independent professional adviser ("**IPA**") to perform the Investigation.

Following the departure of Mr. Cheung Chun Sing Horatio on October 1, 2015, Mr. Tsang Wah Kwong became the sole member of the Independent Committee. The Independent Committee was dissolved on January 8, 2016 after noting the departure of the sole member of the committee, Mr. Tsang Wah Kwong with effect from January 18, 2016.

The Company received a report on Investigation from the IPA on January 18, 2016.

The Independent Committee was re-formed on February 11, 2016 when Mr. Choi Tze Kit Sammy, an independent non-executive Director was appointed to follow up any outstanding matters of the Investigation and engaging the IPA to carry out further investigation and related work. On March 21, 2016, Mr. Lam Kwok Fai Osmond and Mr. Tang Warren Louis were appointed as independent non-executive Directors, and became members of the Independent Committee. Subsequently, there were following changes in the members of the Independent Committee:

Mr. Mar Selwyn (appointed on February 8, 2017)
Mr. Chan Kai Nang (appointed on February 24, 2017 and retired on January 24, 2018)
Mr. Leung Ka Tin (appointed on February 24, 2017)
Mr. Choi Tze Kit Sammy (appointed on February 11, 2016 and ceased on February 11, 2017)
Mr. Lam Kwok Fai Osmond (appointed on March 21, 2016 and ceased on March 21, 2017)
Mr. Tang Warren Louis (appointed on March 21, 2016 and ceased on March 21, 2017)

The IPA finalised and issued the investigation report to the Independent Committee on the findings of the Investigation on August 30, 2017 and based on which, the Independent Committee, with the assistance of its legal adviser, has since completed the report of the Independent Committee setting out the key findings of the Investigation and its recommendations presented to the Board on September 1, 2017.

The findings of the Investigation are set out by the announcement of the Company dated October 6, 2017 and the related finding and the Management's assessments are set out from Annual Report 2014 and 2015.

In May 2017, the Company engaged Crowe Horwath (HK) Corporate Consultancy Ltd. ("**Internal Control Advisor**") as an internal control consultant for reviewing and revising the Company internal policies and procedures which the Company adopted on July 20, 2017. The Internal Control Advisor has identified a number of internal control deficiencies in the Group and the Group has reviewed those findings and taken necessary action to address the internal control deficiencies. The findings of the Internal Control Advisor have been announced in the announcement of the Company dated October 16, 2017.

(c) On December 28, 2017, the Company (through its wholly-owned subsidiaries) as the vendors, the purchasers, which are companies beneficially owned by Ms. Shao Liyu ("**Ms. Shao**"), and Ms. Shao entered into the agreement, pursuant to which the vendors conditionally agreed to sell and the purchasers conditionally agreed to purchase the shares of OPLV (Nanyang) Doors and Windows Systems Co., Ltd ("**OPNY**") and OPLV Architectural Design Pty Ltd ("**OPAD**"). The vendors shall also procure the accounts receivable to be transferred or assigned to the purchasers, all at an aggregate consideration of RMB20 million.

On the same date, the Company, the purchasers, OPNY and OPAD entered into the management service agreement, pursuant to which the Company shall provide administrative and management support to purchasers and their subsidiaries/affiliates for one (1) year at a fee of HK$200,000 per month.

Contemporaneously, the Company and Lumy House Limited, one of the purchasers, entered into a framework agreement, pursuant to which Lumy House Limited shall engage the Company and/or its subsidiaries as the OPNY and OPAD and its subsidiaries' (collectively, "**OPLV Group**") manufacturer and supplier for the OPLV Group's business.

On May 14, 2018, the parties to the agreements agreed to extend the long stop date to October 28, 2018. Since additional time is required to prepare and finalise the circular to the Shareholders in relation to the disposal.

Upon completion of the disposal, the Group will cease to have any interest in the OPLV Group and its financial results will no longer be consolidated into the Company's consolidated financial statements.

Details of the above transactions are set out in the announcements of the Company dated December 28, 2017 and May 14, 2017.

Employee Information and Remuneration Policies

As at December 31, 2016 the Group employed approximately 4,700 staff (September 30, 2015: 3,900). The Group's remuneration package is determined with reference to the experience and qualifications of the individual employee and general market conditions. The Group also ensures that all employees are provided with adequate training and continued professional opportunities according to their needs. During the Period Under Review, the Group incurred staff costs (including Directors' emoluments) of HK$476 million (year ended September 30, 2015: HK$261 million).

OTHER INFORMATION

Directors' Securities Transaction

The Company has adopted the Model Code as its code of conduct for dealings in securities of the Company by the Directors. The Company, based on the best information available, all former Directors holding office as at 31 December 2016 had complied with the Model Code provisions during the Period Under Review.

Purchase, Sale or Redemption of the Company's Shares

The Company and any of its subsidiaries have not redeemed any of its listed securities during the Period Under Review. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the Period Under Review.

Corporate Governance Practices

Given the majority of directors of the Current Board were not the Board members in the Period Under Review, the Current Board, with the best information available, is able to confirm that the Company had the following deviations from the Code on Corporate Governance Practice ("**CG Code**") set out in Appendix 14 of the Listing Rules.

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of the chairlady and CEO should be separated and should not be performed by the same individual.

During the period between April 22, 2015 and November 8, 2017, Ms. Shao Liyu was the chairlady and also the CEO of the Company responsible for overseeing the operations of the Group. As the development of the Group during the period required the active involvement of Ms. Shao Liyu, her in-depth knowledge and experience in the industry and her familiarity with the operations of the Group, the then Board considered that it was appropriate for Ms. Shao Liyu to serve both positions at the time following the resignation of Ms. Ng Bonnie Po Ling and Mr. Liu Hoi Keung as Joint CEO on April 22, 2015. Ms. Shao Liyu, the then chairlady, was appointed as CEO on April 22, 2015. The then Board considered that the non-separation of these two roles would not impair the balance of power as all major decisions were made in consultation with members of the Board. Nevertheless, the Company has continued to review its operation and made arrangement to meet the requirement of code provision A.2.1 to Appendix 14 of the

Listing Rules where necessary. On November 9, 2017, the Board appointed Mr. Cosimo Borrelli as the Non-Executive Chairman of the Board and Ms. Shao Liyu resigned as the chairlady of the Board (as announced on November 10, 2017). From then on, the roles of the chairman and CEO are separated.

Audit Committee

Under code provision C.3 of the CG Code, the audit committee must meet, at least twice a year, with the issuer's auditors, and meet with the auditor, at least annually, in the absence of management, to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the auditor may wish to raise.

During the Period Under Review, no audit committee meeting was held with the auditor. In order to fully address the issues raised by the predecessor auditor during the course of its audit, an independent committee (the "**Independent Committee**"), comprising independent non-executive Directors, was established to supervise and oversee the investigations conducted by an Independent Professional Advisor who was appointed to investigate into matters raised by the predecessor auditor. The duties of the audit committee were therefore discharged through the Independent Committee.

Financial Reporting

Furthermore, subsequent to the Period Under Review, and as announced on December 19, 2014, the Company has, upon the recommendation of the then auditor, resolved to appoint the IPA to investigate into matters raised by the auditor ("**Issues**"), including, but not limited to, (1) the transactions with a contractor for the construction of the Group's new manufacturing facility in Nanyang, the PRC; (2) the discrepancies found on certain of the Group's inventory receipt records in relation to the Group's raw materials procurement; (3) the relationship between the Group and certain Australia customers; and (4) details and supporting documents on certain expenses. The former Board has established an independent committee, comprising the independent non-executive Directors, to supervise and oversee the investigation of the Issues. As the investigation on the Issues was only concluded in August 2017, the interim results and annual results of the Company for the Period Under Review are deferred until the date of this announcement. Accordingly, the Company was not able to timely comply with the financial reporting provisions under rules 13.49(1) and 13.49(6) of the Listing Rules in (i) announcing the annual/interim results for the fifteen months ended December 31, 2016 and year ended December 31, 2017; (ii) publishing the related interim and annual report for the aforesaid years; and (iii) complying with the Code Provision C.1.

The Company did not held its annual general meetings in 2016 and 2017 while an annual general meeting of the Company and its adjournment have been held on January 10, 2018 and January 24, 2018 to approve the audited consolidated financial statements for the year ended September 30, 2014. The Board will convene an annual general meeting in the near future to approve the audited consolidated financial statements for the year ended September 30, 2015, for the fifteen months ended December 31, 2016 and for the year ended December 31, 2017.

For more details, please refer to the Company's announcements dated January 10, 2018 and January 24, 2018.

Review of Accounts

The Company has an audit committee (the "**Audit Committee**") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three members who are the independent non-executive Directors, namely Mr. Mar Selwyn, Mr. Leung Ka Tin and Dr. Cheung Wah Keung.

The Audit Committee and the Management have reviewed the accounting principles and practices adopted by the Group, as well as the audited consolidated financial statements for the Period Under Review and has recommended their adoption to the Board.

Publication of Annual Report

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.palum.com). The annual report of the Company for the fifteen months ended December 31, 2016 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and made available for review on the same websites in due course.

SUSPENSION OF TRADING

Trading in the shares of Company on the Stock Exchange has been suspended from 9:00 a.m. on December 17, 2014. The trading in the shares of the Company will remain suspended until further notice.

By order of the Board
PanAsialum Holdings Company Limited
Cosimo Borrelli
Non-Executive Chairman

Hong Kong, May 31, 2018

As at the date of this announcement, the executive directors of the Company are Ms. Shao Liyu and Mr. Wong Kwok Wai Eddy; the non-executive directors of the Company are Mr. Cosimo Borrelli and Ms. Chi Lai Man Jocelyn; and the independent non-executive directors of the Company are Mr. Mar Selwyn, Mr. Leung Ka Tin and Dr. Cheung Wah Keung.