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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2013

Financial Highlights

- Revenue for the six months ended 31 March 2013 was approximately HK$1,293 million, increased by 9% as compared with approximately HK$1,183 million for the corresponding period in year 2012;
- Gross profit for the six months ended 31 March 2013 was approximately HK$388 million, increased by 32% as compared with approximately HK$295 million for the corresponding period in year 2012;
- Profit attributable to equity holders for the six months ended 31 March 2013 was approximately HK$249 million, increased by 29% as compared with approximately HK$193 million for the corresponding period in year 2012; and
- Basic earnings per share for the six months ended 31 March 2013 amounted to 25 HK cents (six months ended 31 March 2012: 21 HK cents).

Interim Dividend

At the meeting of the Board held on Wednesday, 22 May 2013, it was resolved and declared that an interim dividend of 20 HK cents per share be paid on or about Thursday, 27 June 2013 to the shareholders of the Company whose names appear on the Company's register of members on Tuesday, 11 June 2013.

The board of directors (the "**Board**") of PanAsialum Holdings Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the consolidated interim results of the Group for the six months ended 31 March 2013, together with the comparative figures for the corresponding period in year 2012 as below.

FINANCIAL INFORMATION

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 March 2013

		For the six months ended 31 March	
	Note	**2013**	2012
		HK$'000	*HK$'000*
Revenue	*3*	**1,292,658**	1,183,275
Cost of sales	*6*	**(904,265)**	(888,464)
Gross profit		**388,393**	294,811
Distribution and selling expenses	*6*	**(52,429)**	(46,879)
Administrative expenses	*6*	**(107,593)**	(56,030)
Other income		**1,135**	1,587
Other (losses)/gains – net	*7*	**(7,394)**	22,364
Operating profit		**222,112**	215,853
Finance income	*8*	**133**	90
Finance costs	*8*	**(13,634)**	(11,941)
Finance costs – net	*8*	**(13,501)**	(11,851)
Profit before income tax		**208,611**	204,002
Income tax credit/(expense)	*9*	**40,342**	(11,070)
Profit attributable to equity holders of the Company		**248,953**	192,932

	Note	For the six months ended 31 March	
		2013	2012
		HK$'000	*HK$'000*
Other comprehensive income:			
Currency translation differences		**363**	2,348
Total comprehensive income attributable to equity holders of the Company		**249,316**	195,280
Earnings per share attributable to the equity holders of the Company (expressed in HK cents per share)	*11*	**25**	21
Dividends	*10*	**290,000**	30,000

CONSOLIDATED INTERIM BALANCE SHEET
As at 31 March 2013

	Note	**As at 31 March 2013** *HK$'000*	As at 30 September 2012 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**488,552**	399,637
Land use rights		**9,306**	9,356
Deposits and lease prepayments		**1,691**	1,847
Prepayments for property, plant and equipment		**10,625**	9,956
Capital guaranteed fund		**–**	4,482
Derivative financial instruments		**–**	474
		510,174	425,752
Current assets			
Inventories		**198,511**	208,283
Trade receivables	*4*	**748,796**	813,637
Prepayments, deposits and other receivables		**116,986**	112,696
Due from a related company		**1,842**	7,938
Capital guaranteed fund		**4,499**	–
Derivative financial instruments		**616**	–
Pledged bank deposits		**21,531**	21,531
Cash and cash equivalents		**1,203,126**	143,303
		2,295,907	1,307,388
Total assets		**2,806,081**	1,733,140
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**120,000**	–
Reserves		**1,944,961**	735,955
Total equity		**2,064,961**	735,955

	Note	As at 31 March 2013 HK$'000	As at 30 September 2012 HK$'000
LIABILITIES			
Non-current liabilities			
Obligations under finance leases – non-current portion		**513**	–
		513	–
Current liabilities			
Trade payables	*5*	**70,643**	105,067
Other payables and accrued charges	*5*	**212,140**	146,039
Derivative financial instruments		**1,008**	340
Borrowings		**454,094**	602,084
Obligations under finance leases – current portion		**140**	409
Dividend payable		**–**	86,000
Current income tax liabilities		**2,582**	57,246
		740,607	997,185
Total liabilities		**741,120**	997,185
Total equity and liabilities		**2,806,081**	1,733,140
Net current assets		**1,555,300**	310,203
Total assets less current liabilities		**2,065,474**	735,955

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated interim financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"). The consolidated interim 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 interim 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.

Except as described below, the accounting policies applied are consistent with those of the financial information for the year ended 30 September 2012, as described in the prospectus of the Company issued on 23 January 2013 for the public offering of 300,000,000 shares offered at an offer price of HK$4.13 per share.

2. Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards and interpretations are mandatory for the first time for the financial period beginning on 1 October 2012:

Amendment to HKFRS 1	First-time adoption of HKFRSs – severe hyperinflation and removal of fixed dates for first-time adopters
Amendment to HKFRS 7	Disclosures – transfers of financial assets
Amendment to HKAS 1	Presentation of items of other comprehensive income
Amendment to HKAS 12	Deferred tax recovery of underlying assets

The adoption of the new and amended HKFRSs did not result in substantial changes to the accounting policies of the Group and had no material effect on how the results and financial positions for the current or prior accounting periods have been prepared and presented.

(b) New standards and interpretations not yet adopted

The following new, revised and amendments to standards have been issued, but not effective for the financial period beginning on 1 October 2012 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 19 (2011)	Employee benefits	1 January 2013
HKAS 27 (2011)	Separate financial statements	1 January 2013
HKAS 28 (2011)	Investments in associates and joint ventures	1 January 2013
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013
Amendment to HKAS 32	Offsetting financial assets and financial liabilities	1 January 2014
Amendment to HKFRS 1	First-time adoption of HKFRS – government loans	1 January 2013
Amendment to HKFRS 7	Disclosures – offsetting financial assets and financial liabilities	1 January 2013
Amendment to HKFRS 7 and HKFRS 9	Mandatory effective date and transition disclosures	1 January 2015
Amendment to HKFRS 10, 11 and 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance	1 January 2013
Amendment to HKFRS 10, 12 and HKAS 27	Investments entities	1 January 2014
Annual improvement projects	Improvements to HKASs and HKFRSs 2011	1 January 2013

The Group has already commenced an assessment of the impact of the above new, revised and amendments to standards but is not yet in a position to state whether these new, revised and amendments to standards would have a significant impact to its results of operations and financial position.

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

3. **Segment information**

The Group derives its revenue from three product segments, namely electronics parts, branded OPLV products and construction and industrial products which are operating in five geographical areas, namely The People's Republic of China (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	Aluminum parts for consumer electronics products, examples include heat sinks and chassis for computers
Branded OPLV products	Door and window frames systems marketed under "OPLV" brand and sold through distributors
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

The segment information for the operating segments for the six months ended 31 March 2013 is as follows:

	Electronics parts	**Branded OPLV products**	**Construction and industrial products**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	**679,078**	**134,400**	**479,180**	**1,292,658**
Cost of sales	**(454,278)**	**(99,349)**	**(350,638)**	**(904,265)**
Segment gross profit	**224,800**	**35,051**	**128,542**	**388,393**
Unallocated operating costs				**(160,022)**
Other income				**1,135**
Other losses – net				**(7,394)**
Finance costs – net				**(13,501)**
Profit before income tax				**208,611**

The segment information for the operating segments for the six months ended 31 March 2012 is as follows:

	Electronics parts	**Branded OPLV products**	**Construction and industrial products**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	520,051	95,064	568,160	1,183,275
Cost of sales	(396,808)	(75,130)	(416,526)	(888,464)
Segment gross profit	123,243	19,934	151,634	294,811
Unallocated operating costs				(102,909)
Other income				1,587
Other gains – net				22,364
Finance costs – net				(11,851)
Profit before income tax				204,002

The analysis of the Group's revenue and gross profit from external customers attributed to the locations in which the sale originated during the six months ended 31 March 2013 and 2012 consists of the following:

	For the six months ended 31 March 2013					
	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	**843,336**	**391,908**	**14,646**	**31,746**	**11,022**	**1,292,658**
Cost of sales	**(579,112)**	**(276,411)**	**(12,010)**	**(26,422)**	**(10,310)**	**(904,265)**
Gross profit	**264,224**	**115,497**	**2,636**	**5,324**	**712**	**388,393**

	For the six months ended 31 March 2012					
	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	696,258	390,582	23,982	39,933	32,520	1,183,275
Cost of sales	(544,171)	(262,486)	(20,866)	(29,838)	(31,103)	(888,464)
Gross profit	152,087	128,096	3,116	10,095	1,417	294,811

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

	Six months ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Customer A	**667,747**	509,188
Customer B	**325,354**	316,041

The geographical location of non-current assets other than financial instruments are determined based on the countries of domicile of the companies now comprising the Group. The total of non-current assets other than financial instruments located in respective geographical locations are as follows:

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
The PRC	**502,594**	417,336
Hong Kong	**7,488**	3,375
Other countries	**92**	85
	510,174	420,796

4. Trade receivables

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
Trade receivables	**748,796**	813,637
Less: provision for impairment of receivables	**–**	–
Trade receivables – net	**748,796**	813,637

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 45 to 120 days.

As at 31 March 2013 and 30 September 2012, the ageing analysis of the trade receivables based on due date was as follows:

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
Current	**580,211**	566,812
1 – 30 days	**45,023**	75,569
31 – 60 days	**63,839**	31,502
61 – 90 days	**47,306**	47,912
91 – 180 days	**9,717**	83,344
181 days – 1 year	**2,700**	8,498
Over 1 year	**–**	–
	748,796	813,637
Less: provision for impairment of receivables	**–**	–
	748,796	813,637

As at 31 March 2013 and 30 September 2012, the ageing analysis of the trade receivables based on invoice date was as follows:

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
1 – 30 days	**186,341**	242,850
31 – 60 days	**125,594**	211,830
61 – 90 days	**225,163**	134,696
91 – 180 days	**177,764**	133,624
181 days – 1 year	**33,934**	90,637
Over 1 year	**–**	–
	748,796	813,637
Less: provision for impairment of receivables	**–**	–
	748,796	813,637

As at 31 March 2013, receivables of HK$580,211,000 were neither past due nor impaired (as at 30 September 2012: HK$566,812,000). These receivables relate to customers for whom there is no recent history of default.

As at 31 March 2013, trade receivables of HK$168,585,000 were past due but not impaired (as at 30 September 2012: HK$246,825,000). These relate to a number of independent customers that have a good track record of payment with the Group. No impairment provision was made as at 31 March 2013 (as at 30 September 2012: Same).

Certain subsidiaries of the Group pledged trade receivables balances amounting to HK$234,824,000 to bank in exchange for cash as at 31 March 2013 (as at 30 September 2012: HK$212,523,000). The transactions have been accounted for as collateralised borrowings.

All trade receivables were non-interest-bearing as at 31 March 2013 and 30 September 2012.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	As at 31 March 2013 *HK$'000*	As at 30 September 2012 *HK$'000*
AUD	**297,016**	366,703
RMB	**111,818**	176,513
USD	**328,652**	262,182
HK$	**11,310**	8,239
	748,796	813,637

As at 31 March 2013 and 30 September 2012, there was no provision for impairment of trade receivables. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of receivables mentioned above.

5. Trade payables, other payables and accrued charges

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
Trade payables	**70,643**	105,067
Deposits received	**61,435**	32,893
Accrued employee benefit expenses	**33,074**	23,370
Accrued operating expenses	**21,877**	27,283
Provision for sales rebate to customers	**7,955**	11,300
Payable for purchase of property, plant and equipment	**68,140**	33,116
Other payables and accruals	**19,659**	18,077
Other payables and accrued charges	**212,140**	146,039
Trade payables, other payables and accrued charges	**282,783**	251,106

As at 31 March 2013 and 30 September 2012, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
0 – 30 days	**41,081**	75,029
31 – 60 days	**15,929**	21,983
61 – 90 days	**7,723**	4,961
Over 90 days	**5,910**	3,094
	70,643	105,067

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
AUD	**787**	1,206
RMB	**56,676**	92,013
USD	**12,867**	11,535
HK$	**313**	313
	70,643	105,067

6. Expenses by nature

	Six months ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Auditor's remuneration – current period	**1,928**	1,928
Operating leases – land and buildings	**1,730**	656
Changes in inventories of finished goods and work in progress	**(30,905)**	(22,149)
Raw materials and consumables used	**800,413**	803,470
Loss on disposal of property, plant and equipment	**1,485**	1,638
Employee benefit expenses	**156,897**	82,071
Depreciation:		
Owned property, plant and equipment	**24,366**	20,412
Leased property, plant and equipment	**106**	552
Transportation expenses	**29,621**	28,377
Amortisation of land use rights	**114**	141
Legal and professional fees	**597**	2,424
Research and development costs	**3,157**	2,353
Utilities	**32,931**	25,326
Other expenses	**41,847**	44,174
Total cost of sales, distribution and selling expenses and administrative expenses	**1,064,287**	991,373

7. Other (losses)/gains – net

	Six months ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Net exchange (losses)/gains	**(5,787)**	21,808
Fair value (loss)/gain on derivative financial instruments – foreign exchange forward contracts	**(1,749)**	484
Fair value gain on derivative financial instruments – equity-index embedded derivative	**142**	72
	(7,394)	22,364

8. Finance income and costs

	Six months ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Interest expenses:		
Interest expense on bank borrowings wholly repayable within 5 years	**13,629**	11,897
Interest element of finance leases	**5**	44
Finance costs	**13,634**	11,941
Interest income:		
Interest income on capital guaranteed fund	**(17)**	(18)
Interest income on bank deposits	**(116)**	(72)
Finance income	**(133)**	(90)
Finance costs – net	**13,501**	11,851

9. Income tax (credit)/expense

No Hong Kong profits tax has been provided as the Group has no estimated assessable profit for the six months ended 31 March 2013. Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits during the six months ended 31 March 2012.

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 six months ended 31 March 2013. The standard PRC corporate income tax rate was 25% during the six months ended 31 March 2012.

Pursuant to Article 12 of Decree-Law No. 58/99/M issued by the Macao Government, OPAL (Macao Commercial Offshore) Limited is exempted from Macao Complementary Tax during the six months ended 31 March 2013 (six months ended 31 March 2012: Same).

	Six months ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Hong Kong profits tax		
– current period	**–**	589
Overseas taxation		
– current period	**–**	10,481
– over-provision in prior periods *(Note)*	**(40,342)**	–
	(40,342)	11,070

Note:

On 6 February 2013, the Group received the additional PRC corporate income tax assessments from PRC relevant tax bureau regarding the years of assessment from 2008 to 2010. In response to these assessments, a total payment of RMB3,292,000 (equivalent to HK$4,082,000) has been made by the Group to the tax bureau in March 2013. In the opinion of the directors, it has been confirmed with the tax bureau that no further tax liabilities are payable for the years of assessment prior to 2008. Accordingly, the excess tax provision of RMB30,140,000 (equivalent to HK$37,376,000) has been reversed.

Moreover, an overprovision of PRC corporate income tax of RMB2,392,000 (equivalent to HK$2,966,000) previously provided for 2012 as at 30 September 2012 has been reversed during the period.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the companies comprising the Group as follows:

	Six months ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Profit before income tax	**208,611**	204,002
Tax calculated at Hong Kong profits tax rate of 16.5%	**34,421**	33,660
Income not subject to tax	**(34)**	(117)
Expenses not deductible for tax purposes	**3,248**	1,680
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(50,784)**	(31,028)
Tax losses for which no deferred income tax asset was recognised	**10,573**	1,878
Over provision in prior periods	**(40,342)**	–
Other temporary differences not recognised	**2,576**	4,997
Income tax (credit)/expense	**(40,342)**	11,070

As at 31 March 2013, the Group had unrecognised tax losses of approximately HK$66,349,000 (as at 30 September 2012: HK$58,159,000) to carry forward against future taxable income. The unrecognised tax losses were contributed by the Company's subsidiaries, PanAsia Aluminium Limited, PanAsia Aluminium (Hong Kong) Limited, PanAsia Trading Limited and Guangzhou OPLV Doors and Windows System Co., Ltd.. The tax losses of PanAsia Aluminium Limited, PanAsia Aluminium (Hong Kong) Limited and PanAsia Trading Limited have no expiry date while the tax loss of Guangzhou OPLV Doors and Windows System Co., Ltd. will expire as follows:

	As at 31 March 2013	As at 30 September 2012
	HK$'000	*HK$'000*
With no expiry date	**9,927**	8,943
Expiry year:		
– 2013	**7,912**	7,868
– 2014	**10,638**	10,579
– 2015	**17,948**	17,848
– After 2015	**19,924**	12,921
	66,349	58,159

Deferred income tax liabilities of HK$1,112,000 have not been recognised as at 31 March 2013 (as at 30 September 2012: HK$2,516,000), for the withholding tax and other taxes that would be payable on the unremitted earnings of a subsidiary in the PRC. Management is of the view that unremitted earnings totalled HK$22,239,000 as at 31 March 2013 (as at 30 September 2012: HK$50,318,000), are intended for re-investment in the PRC and there is no current plan for distribution.

On 27 March 2013, the Inland Revenue Department ("**IRD**") issued protective estimated assessments for the year of assessment 2006/07 to the Company and certain of its subsidiaries, demanding profits tax payments. Notices of objection have been lodged and the IRD has granted unconditional holdover orders in respect of the profits tax payments demanded.

It is the management's understanding that the protective estimated assessments were merely issued to keep the 2006/07 assessment year open in view of the statutory time-bar, and the case is in the information collection stage. Management is of the view that the tax position taken by the Company and the relevant subsidiaries are supported by sustainable facts and technical grounds, and management will vigorously defend such tax position taken. Management is also of the view that, as at the date of this announcement, there is no reliable basis for estimating, and providing for any potential tax liabilities, and the corresponding penalty and interest, if any.

10. Dividends

	Six months ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Interim dividends declared and paid by a subsidiary of the Group prior to reorganisation *(Note (a))*	**50,000**	30,000
Interim dividend of 20 HK cents per ordinary share declared by the Company subsequent to the balance sheet date *(Note (b))*	**240,000**	–
	290,000	30,000

Notes:

(a) Interim dividends were declared and paid by a subsidiary of the Group to its then equity holders prior to the Group's reorganisation which was completed on 12 October 2012.

(b) Interim dividend was declared by the Company to its equity holders. The amount of such interim dividend for the six months ended 31 March 2013 was based on 1,200,000,000 shares in issue as at 22 May 2013 (Note 12).

The aggregate amounts of the dividends paid during the six months ended 31 March 2013 and 2012 have been disclosed in the consolidated interim statements of comprehensive income in accordance with the Hong Kong Companies Ordinance.

11. Earnings per share

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

In determining the number of ordinary shares in issue for the six months ended 31 March 2013 and 2012, the issue and allotment of 1 share by the Company on 7 October 2005, the 999,999 shares issued and allotted on 12 October 2012 and the 899,000,000 shares issued and allotted through capitalisation of the share premium account of the Company upon listing on 5 February 2013, were deemed to have been issued since 1 October 2012.

	Six months ended 31 March	
	2013	2012
Profit attributable to equity holders of the Company *(HK$'000)*	**248,953**	192,932
Weighted average number of ordinary shares in issue	**990,659,341**	900,000,000
Basic earnings per share *(HK cents)*	**25**	21

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 31 March 2013 and 2012.

12. **Event after the balance sheet date**

At the Board meeting held on 22 May 2013, the Board has resolved to declare an interim dividend of 20 HK cents per ordinary share for the six months ended 31 March 2013. This interim dividend was not recognised as a dividend payable in the consolidated interim financial statements for the six months ended 31 March 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Business Review

We are a fast-growing aluminum products manufacturer based in Guangdong Province, the PRC, with a large and diverse portfolio of high quality products. We currently manufacture three categories of products: electronics parts ("**Electronics Parts**"), branded OPLV products ("**Branded OPLV Products**") and construction and industrial products ("**Construction and Industrial Products**").

The results of the business operations of the Group for the first half of the financial year 2013 have adhered to the business plan of the Group and have met the profit forecast as disclosed in the prospectus of the Company dated 23 January 2013 (the "**Prospectus**"). The total operation revenue of the Group for the six months ended 31 March 2013 was approximately HK$1,293 million and the net profit after tax attributable to shareholders was approximately HK$249 million, as compared with the forecast of HK$233 million disclosed in the Prospectus. Revenue contributions by segment for the six-month period are as follows:

Business segment	**Percentage of contribution to revenue for the six months ended 31 March**	
	2013	2012
– Electronics Parts	**53%**	44%
– Construction and Industrial Products	**37%**	48%
– Branded OPLV Products	**10%**	8%

As anticipated, the Electronics Parts segment has shown a strong growth during the period and contributed to approximately 53% of the total revenue of the Group, an increase of 9% as compared with 44% for the corresponding period in year 2012. The increase was mainly due to consistent orders for existing products and increasing orders for new products from our major customers during the period. The Construction and Industrial Products segment has contributed steady revenue during the period although its share in the total revenue of the Group has dropped to 37% as compared with 48% for the corresponding period in year 2012. The Branded OPLV Products segment has achieved a satisfactory growth and its share in the revenue of the Group has increased to 10% as compared with 8% for the corresponding period in year 2012.

Geographically, total sales of the Group to Mainland China was around 65% during the period and export sales to Australia was around 30%, with the remaining 5% being sales to the Hong Kong, North America and South Africa markets. The Australian market is quite mature and we were able to maintain our market share there.

Comparing to the six months ended 31 March 2012, the total revenue of the Group for the period has achieved a growth rate of 9%, whereas revenue for the Electronics Parts segment has achieved a growth rate of 31%, the revenue for the Construction and Industrial Products segment has dropped by 16% and revenue for the Branded OPLV Products segment has achieved a growth rate of 41%.

With respect to the gross profit margin during the period, the overall gross profit margin for the period was 30%, a net increase of 5% as compared with 25% for the corresponding period in year 2012. The growth in overall gross profit margin is largely contributed by the increase in sales in Computer Numerical Control ("**CNC**") products under the Electronics Parts segment during the period. The respective gross profit margins of the three business segments of the Group were Electronics Parts segment at 33% (24% for the corresponding period in year 2012), Construction and Industrial Products segment at 27% (27% for the corresponding period in year 2012) and Branded OPLV Products segment at 26% (21% for the corresponding period in year 2012).

Market Review

Electronics Parts market continued its strong performance during the period and orders for existing products from the major customer of the Group were consistent. The major customer had also placed orders for new products persistently, which contributed to significant growth in revenue during the period. The revenue from the major customer had increased by 31% compared to the corresponding period in year 2012. By increasing our CNC capability and vertical integration of aluminum product manufacturing capabilities, we sold more CNC products during the period, which contributed to a strong growth in gross profit (from 24% to 33%).

We continued to develop the Branded OPLV Products market in Mainland China and had engaged new distributors. At the end of the period, we had 584 distributors in 27 provinces, autonomous regions and municipalities (compared to 577 distributors at end of September 2012). The small growth in number of distributors was due to our continuing consolidation of performing long-term distributors and termination of underperforming distributors. We achieved a strong growth of 41% in Branded OPLV Products sales during the period compared to the corresponding period in year 2012. In addition, we had reduced our sales discount granted to distributors, which contributed to a growth in gross profit to 26% for the period from 21% for the corresponding period in year 2012.

For Construction and Industrial Products, we were able to maintain our market share in Australia and the revenue from the Australia market had recorded a small growth compared to the corresponding period in year 2012. We had continued to persuade our major Australian customers for ordering finished or semi-finished products that were not subject to anti-dumping duties. During the period, around 40% of our products sold to Australia were not subject to anti-dumping duties, and as a result of which, we were able to maintain our sales volume and gross profit margin in the Australia market during the period. We had de-selected certain customers in Mainland China whose orders could not achieve the satisfactory gross profit margin. Therefore, the overall sales of this segment during the period had dropped by 16% compared to the corresponding period in year 2012.

Financial Overview

Revenue

Revenue increased by 9% from HK$1,183 million for the six months ended 31 March 2012 to HK$1,293 million for the six months ended 31 March 2013. The increase in revenue was primarily due to the increased sales of Electronics Parts to our major customer, supplemented by the increased sales of our Branded OPLV Products in Mainland China. The sales of Construction and Industrial Products had dropped from HK$568 million for the six months ended 31 March 2012 to HK$479 million for the six months ended 31 March 2013. The decrease was primarily due to the redeployment of more of our resources to other segments which presented better growth potential than the Construction and Industrial Products segment. However, we were able to maintain our market share in Australia as our total sales to Australia during the six months ended 31 March 2013 was HK$392 million, which is slightly higher than that of the corresponding period in year 2012 (HK$391 million).

Cost of Sales

Cost of sales increased by 2% from HK$888 million for the six months ended 31 March 2012 to HK$904 million for the six months ended 31 March 2013.

Gross Profit

Our gross profit increased by 32% from HK$295 million for the six months ended 31 March 2012 to HK$388 million for the six months ended 31 March 2013. Our gross profit margin increased from 25% for the six months ended 31 March 2012 to 30% for the six months ended 31 March 2013 due to the following changes in the gross profit margin of each of our product categories.

Electronics Parts. The gross profit margin of our Electronics Parts increased from 24% for the six months ended 31 March 2012 to 33% for the six months ended 31 March 2013, mainly because of more CNC products were sold during the period.

Construction and Industrial Products. The gross profit margin of our Construction and Industrial Products remained stable at 27% for the six months ended 31 March 2013 compared to 27% for the six months ended 31 March 2012.

Branded OPLV Products. The gross profit margin of our Branded OPLV Products increased from 21% for the six months ended 31 March 2012 to 26% for the six months ended 31 March 2013, mainly because of the reduction of sales discount offered to distributors.

Distribution and Selling Expenses

Distribution and selling expenses increased by 12% from HK$47 million for the six months ended 31 March 2012 to HK$52 million for the six months ended 31 March 2013. The slight increase was mainly due to the increase in staff costs and transportation costs which is in line with the growth in revenue.

Administrative Expenses

Administrative expenses increased significantly by 92% from HK$56 million for the six months ended 31 March 2012 to HK$108 million for the six months ended 31 March 2013. The increase was mainly due to increase in our staff remuneration, including increase in head count and introduction of staff talent attraction and retention program.

Other Income

Other income decreased by 28% from HK$1,587,000 for the six months ended 31 March 2012 to HK$1,135,000 for the six months ended 31 March 2013. The decrease was mainly due to a decrease in forfeiture of customer deposits and sales of scrap materials recorded in the six months ended 31 March 2013.

Other (Losses)/Gains – Net

Other (losses)/gains – net decreased from HK$22 million gain for the six months ended 31 March 2012 to HK$7 million loss for the six months ended 31 March 2013. The decrease was mainly due to realised exchange losses arising from the appreciation of Renminbi and the depreciation of the Australian dollars in the six months ended 31 March 2013 compared to the realised exchange gains from an appreciation of the Australian dollars in the six months ended 31 March 2012.

Finance Income

Finance income increased by 48% from HK$90,000 for the six months ended 31 March 2012 to HK$133,000 for the six months ended 31 March 2013. The increase was mainly due to an increase in interest income from our increased average balances of bank deposits.

Finance Costs

Finance costs increased by 14% from HK$12 million for the six months ended 31 March 2012 to HK$14 million for the six months ended 31 March 2013. The increase was mainly due to an increase in interest expense on bank borrowings wholly repayable within three to five years.

Income Tax Credit/(Expense)

Our income tax expense decreased from HK$11 million for the six months ended 31 March 2012 to a net write-back of prior years tax provision of HK$40 million in the six months ended 31 March 2013, primarily due to the finalisation of PRC corporate income tax assessments for the years up to 2010 during the six months ended 31 March 2013.

Profit after tax for the period

Profit after tax for the period increased 29% from HK$193 million for the six months ended 31 March 2012 to HK$249 million for the six months ended 31 March 2013.

Currency Translation Differences

Currency translation differences decreased by 85% from HK$2,348,000 for the six months ended 31 March 2012 to HK$363,000 for the six months ended 31 March 2013, mainly because the Renminbi appreciated at a slower rate against the Hong Kong dollar during the six months ended 31 March 2013 as compared to the six months ended 31 March 2012.

Total Comprehensive Income for the Period

As a result of the foregoing, total comprehensive income for the six months ended 31 March 2013 increased by 28% from HK$195 million for the six months ended 31 March 2012 to HK$249 million for the six months ended 31 March 2013.

Liquidity

We had more than HK$1,200 million cash and cash equivalent as at 31 March 2013. After taking into consideration of the proposed interim dividend below and the foreseeable capital expenditure of the Group, we consider that our liquidity position is healthy.

Prospects

Going forward, we will continue to capture the growth in Electronics Parts business by investing in new production lines, developing new products and further strengthen our relationship with our major customers. We anticipate the strong growth will continue and we will increase our production capacity, including CNC processing capacity, so as to meet the increasing demands from our customers. We will continue to develop new products based on the market demand and our Research & Development department will work hard towards the goals.

We will continue to further penetrate the Mainland China market for Branded OPLV Products by bringing in additional performing long-term distributors and developing distribution network in areas other than the 27 provinces, autonomous regions and municipalities that we have presence. We anticipate the growth rate of Branded OPLV sales will continue at its current momentum and its profit margin will maintain in good shape.

For Construction and Industrial Products, we expect the sales to Australia would be quite stable while maintaining a steady profit margin. We will develop new customers in Hong Kong, Macau and other regions so as to compensate for the loss of customers in Mainland China.

INTERIM DIVIDEND

At the meeting of the Board held on Wednesday, 22 May 2013, it was resolved and declared that an interim dividend of 20 HK cents be paid on or about Thursday, 27 June 2013 to the shareholders of the Company whose names appear on the Company's register of members on Tuesday, 11 June 2013.

BOOK CLOSE PERIOD

For the purpose of ascertaining entitlement to the interim dividend, the Company's register of members will be closed from Friday, 7 June 2013 to Tuesday, 11 June 2013 (both days inclusive), during which time no transfer of shares will be registered. In order to be entitled to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar and transfer agent, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 6 June 2013.

OTHER INFORMATION

Purchase, Sales or Redemption of Shares

The Company conducted a global offering of 300,000,000 shares of the Company in January 2013 (the "**Global Offering**") and raised proceeds of approximately HK$1,105 million. Details of the Global Offering are set out in the Prospectus. The Company has not redeemed any of its listed securities during the six months ended 31 March 2013. Save for the Global Offering, neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the six months ended 31 March 2013.

Code on Corporate Governance

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain high corporate governance standard. The Board is of the view that the Company has complied with the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") since the date of the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on 5 February 2013, except code provision A.2.1 of CG Code as explained below:

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Marcus Pan is performing both the roles of chairman and Chief Executive Officer ("**CEO**") of the Group. Mr. Marcus Pan is the founder of the Group and has over 21 years of experience in the aluminum fabrication and distribution industry, including manufacturing processes and sales to various markets within Mainland China and abroad. The Directors consider that Mr. Marcus Pan continuously acting as both our chairman and CEO will provide a strong and consistent leadership to the Group and allow for more effective planning and management of the Group. The Board will continue to review the effectiveness of the current structure and assess whether the separation of roles of chairman and CEO is necessary.

Review of Accounts

The audit committee of the Company (the "**Audit Committee**") comprises the three independent non-executive directors of the Company. The Audit Committee has reviewed with the Company's management, the accounting principles and practices adopted by the Group and discussed financial reporting matters including review of the interim accounts of the Group for the six months ended 31 March 2013.

Publication of Interim Report

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.palum.com). The interim report of the Company for the six months ended 31 March 2013 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.

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

22 May 2013

As at the date of this announcement, the executive directors of the Company are Mr. Marcus Pan, Ms. Shao Lidan and Mr. Leung Chi Wing, and the independent non-executive directors of the Company are Mr. Tsang Wah Kwong, Mr. Chan Nim Leung Leon and Mr. Wong Yee Shuen Wilson.