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PanAsialum Holdings Company Limited

榮陽實業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2078)

DISCLOSEABLE TRANSACTION CONSTRUCTION CONTRACT

On 8 April 2015, the Subsidiary, a wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor, under which the Contractor will construct and build three CNC workshops of the Group's production facility at Nanyang, Henan Province, the PRC for a consideration of RMB56,911,697 (equivalent to approximately HK\$71,896,547).

Given that one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Construction Contract is over 5% but less than 25%, the Construction Contract constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE CONSTRUCTION CONTRACT

Date

8 April 2015

Parties

- (1) the Subsidiary, a wholly-owned subsidiary of the Group; and
- (2) the Contractor, a building construction company established in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Subject matter

Pursuant to the Construction Contract, the Contractor will construct and build three CNC workshops of the Group's production facility at Nanyang, Henan Province, the PRC, with an aggregate construction area of approximately 78,000 square meters for a consideration of RMB56,911,697 (equivalent to approximately HK\$71,896,547).

Contract sum and payment terms

The contract sum under the Construction Contract is RMB56,911,697 (equivalent to approximately HK\$71,896,547) and was arrived at after arm's length negotiations.

30% of the contract sum will be payable by the Subsidiary to the Contractor upon the signing of the Construction Contract. The balance of the contract sum will be payable in stages in accordance with the progress of the construction in the following manners:

- (a) 20% of the contract sum will be payable within one week of the completion of the construction of each storey of the workshops and the issue by the Subsidiary of its written certificate of acceptance (up to 60% of the contract sum for the three storeys of the workshops);
- (b) 5% of the contract sum will be payable upon completion of construction of the project (all variation work, if any, would also need to be paid at that time);
- (c) 4% of the contract sum will be payable within one week upon the satisfactory inspection of the completed work; and
- (d) 1% of the contract sum, which will be used as a retainer against the failure by the Contractor in making good of any defects, will be payable within one week of the expiry of the one year maintenance period.

The contract sum under the Construction Contract will be financed by the Company through the proceeds raised from its Global Offering and internal resources of the Group.

Reasons for entering into of the Construction Contract

The Group is an aluminium products manufacturer of electronics parts products, branded OPLV products and construction and industrial products.

As disclosed in the announcement of the Company dated 1 October 2013, the Company 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. The Construction Contract is being entered into for the construction of three CNC workshops of the facility.

Given that the Construction Contract was entered into after arm's length negotiations and under normal commercial terms, the Directors are of the view that the terms of the Construction Contract are fair and reasonable and that the entering into of the Construction Contract is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Given that one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Construction Contract is over 5% but less than 25%, the Construction Contract constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“Board”	the board of Directors of the Company;
“CNC”	computer numerical control;
“Company”	PanAsialum Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Contractor”	河南冠亞建築工程有限責任公司, a limited liability company established in the PRC;
“Construction Contract”	the agreement between the Subsidiary and the Contractor entered on 8 April 2015;
“Director(s)”	the director(s) of the Company;
“Global Offering”	the public offering and international placing of the Company’s shares as detailed in the prospectus of the Company dated 23 January 2013;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar, the legal currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;

“RMB”	Renminbi, the legal currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	榮陽鋁業(中國)有限公司 (PanAsia Aluminium (China) Limited), a foreign-owned enterprise established in the PRC and is a wholly-owned subsidiary of the Company; and
“%”	per cent.

For illustrative purpose only, amounts denominated in RMB have been translated into HK\$ at the rate of RMB1 = HK\$1.2633 in this announcement, unless otherwise stated. No representation is made that any amount in RMB or HK\$ has been, could have been or could be converted at the above rate or any other.

By order of the Board
PanAsialum Holdings Company Limited
Shao Liyu
Chairlady

Hong Kong, 8 April 2015

As at the date of this announcement, our executive directors of the Company are Ms. Shao Liyu (formerly known as Ms. Shao Lidan), Ms. Ng Bonnie Po Ling, Mr. Liu Hoi Keung and Mr. Zhu Hong Tao, and our independent non-executive directors of the Company are Mr. Tsang Wah Kwong, Mr. Cheung Chun Sing Horatio and Mr. Tsang Ming Chit Stanley.