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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 17 November 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 a workshop at the Group's production facility at Nanyang, Henan Province, the PRC, for a consideration of RMB46,641,461 (approximately HK\$57,602,204).

As the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Construction Contract, when aggregated with the construction contract entered into with the Contractor on 8 April 2015 in relation to the construction of three CNC workshops, are 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

17 November 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 a workshop at the Group's production facility at Nanyang, Henan Province, the PRC, for the anodising process of the Group's products. The planned construction area of the workshop is approximately 38,000 square meters.

Contract sum and payment terms

The contract sum under the Construction Contract is RMB46,641,461 (approximately HK\$57,602,204) and was arrived at after arm's length negotiations with reference to the prevailing market rates of construction contract of a similar nature.

The contract sum will be payable in the following manner:

- (a) 10% of the contract sum, equivalent to RMB4,664,146 (approximately HK\$5,760,220) will be payable by the Subsidiary to the Contractor upon the Construction Contract becoming effective;
- (b) a further payment of RMB1,000,000 (approximately HK\$1,235,000) will be payable by the Subsidiary to the Contractor prior to the commencement of the construction work of the steel structure of the workshop;
- (c) 90% of the contract sum after deducting the payments made in paragraphs (a) and (b) above, equivalent to RMB36,313,168 (approximately HK\$44,846,762), will be payable to the Contractor in stages in accordance with the progress of the construction;
- (d) 5% of the contract sum, equivalent to RMB2,332,073 (approximately HK\$2,880,110) will be payable upon completion of construction of the project and satisfactory inspection of the completed work; and
- (e) the balance 5% of the contract sum, equivalent to RMB2,332,074 (approximately HK\$2,880,111), which will be used as a retainer against the failure by the Contractor in making good of any defects, will be payable upon the expiry of the one year maintenance period.

The contract sum will be financed by the internal resources of the Group.

Reasons for entering into the Construction Contract

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

The Company announced on 1 October 2013 that the Company planned to establish a new aluminium alloy production base in Nanyang City in Henan Province. Phase 1 of the Group's integrated production facility in Nanyang has officially begun production in late October 2015. The Construction Contract is being entered into for the construction of an anodising workshop at the Nanyang 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 the Construction Contract is of the same nature with the construction contract entered into between the Subsidiary and the Contractor on 8 April 2015 for the construction of three CNC workshops at the Group's production facility in Nanyang, the Construction Contract would need to be aggregated with such construction contract pursuant to Rule 14.22 of the Listing Rules.

As the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Construction Contract, when aggregated with the construction contract entered into with the Contractor on 8 April 2015, are 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 (Henan Guanya Construction Engineering Company Limited*), a limited liability company established in the PRC;
“Construction Contract”	the agreement dated 17 November 2015 between the Subsidiary and the Contractor;
“Director(s)”	the director(s) of the Company;
“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\$1.2350 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 and Chief Executive Officer

17 November 2015

As at the date of this announcement, our executive Directors are Ms. Shao Liyu (formerly known as Ms. Shao Lidan), Mr. Zhu Hong Tao, and Mr. Ma Yu Yan, and our independent non-executive Directors are Mr. Tsang Wah Kwong, Mr. Tsang Ming Chit Stanley and Mr. Ching Yu Lung.

* *For identification purpose only.*