Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 MARCH 31, 2015

Financial Highlights

- Revenue for the six months ended March 31, 2015 was HK$1,014 million, decreased by 29% as compared with HK$1,432 million for the corresponding period in year 2014;
- Gross profit for the six months ended March 31, 2015 was HK$224 million, decreased by 10% as compared with HK$248 million for the corresponding period in year 2014;
- Loss attributable to equity holders for the six months ended March 31, 2015 was HK$300 million, as compared with profit HK$120 million for the corresponding period in year 2014; and
- Basic (loss)/earnings per share for the six months ended March 31, 2015 amounting to (25) HK cents (six months ended March 31, 2014: 10 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 unaudited condensed consolidated interim results of the Group for the six months ended March 31, 2015, together with the comparative figures for the corresponding period in 2014.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended March 31, 2015

	Notes	**Unaudited Six months ended March 31, 2015** *HK$'000*	Unaudited Six months ended March 31, 2014 *HK$'000*
Revenue	*4*	**1,013,897**	1,431,504
Cost of sales	*8*	**(789,627)**	(1,183,038)
Gross profit		**224,270**	248,466
Distribution and selling expenses	*8*	**(47,431)**	(67,200)
Administrative expenses	*8*	**(366,052)**	(125,117)
Other income	*9*	**8,571**	135,809
Other losses – net	*10*	**(93,177)**	(40,624)
Operating (loss)/profit		**(273,819)**	151,334
Finance income	*11*	**1,099**	2,975
Finance costs	*11*	**(9,854)**	(6,283)
Finance costs – net	*11*	**(8,755)**	(3,308)
Share of loss of an associated company		**(9,493)**	–
(Loss)/profit before income tax		**(292,067)**	148,026
Income tax expense	*12*	**(7,988)**	(27,746)
(Loss)/profit attributable to equity holders of the Company		**(300,055)**	120,280

	Notes	**Unaudited Six months ended March 31, 2015** *HK$'000*	Unaudited Six months ended March 31, 2014 *HK$'000*
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences		**14,941**	3,302
Total comprehensive (loss)/income attributable to equity holders of the Company		**(285,114)**	123,582
(Loss)/earnings per share attributable to the equity holders of the Company (expressed in HK cents per share)	*14*	**(25.0)**	10.0

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As At March 31, 2015

	Notes	**Unaudited March 31, 2015** *HK$'000*	Audited September 30, 2014 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**628,005**	581,945
Land use rights		**14,225**	15,149
Investment in an associated company		**–**	15,399
Deposits and lease prepayments		**1,655**	612
Prepayments for property, plant and Equipment		**322,525**	64,605
Prepayments for land use rights		**–**	290,690
		966,410	968,400
Current assets			
Inventories		**181,625**	294,063
Trade and bills receivables	*5*	**397,606**	858,927
Prepayments, deposits and other Receivables		**93,395**	109,527
Due from an associated company		**2,663**	26,807
Due from a related company	*6*	**1,941**	4,200
Derivative financial instruments		**4,405**	4,144
Pledged bank deposits		**7,620**	–
Fixed bank deposits		**25,361**	–
Cash and cash equivalents		**155,660**	387,145
		870,276	1,684,813
Total assets		**1,836,686**	2,653,213
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**120,000**	120,000
Reserves		**1,387,718**	1,672,832
Total equity		**1,507,718**	1,792,832

	Notes	Unaudited March 31, 2015 HK$'000	Audited September 30, 2014 HK$'000
LIABILITIES			
Non-current liabilities			
Obligations under finance leases – non-current portion		**5,192**	6,032
Current liabilities			
Trade payables	*7*	**35,914**	128,512
Other payables and accrued charges		**153,967**	207,106
Due to a director		**2,663**	2,663
Borrowings		**87,677**	479,919
Obligations under finance leases – current portion		**1,735**	1,693
Current income tax liabilities		**41,820**	34,456
		323,776	854,349
Total liabilities		**328,968**	860,381
Total equity and liabilities		**1,836,686**	2,653,213
Net current assets		**546,500**	830,464
Total assets less current liabilities		**1,512,910**	1,798,864

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Basis of preparation

The condensed consolidated interim financial information for the six months ended March 31, 2015 has been prepared in accordance with HKAS 34 'Interim Financial Reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

2. Key events

As disclosed in the annual report of 2014, on July 3, 2014, a subsidiary of the Company entered into an agreement with a supplier for acquisition of equipment for an aggregate consideration of RMB96.4 million (equivalent to approximately HKD120 million). The Group also acquired equipment and machinery from the supplier with aggregate consideration of RMB48.9 million (equivalent to approximately HKD61.8 million) in March 2014.

On February 2, 2015, a supplemental agreement was entered into with the supplier to amend the total consideration for the acquisitions from RMB145.3 million (equivalent to approximately HKD181.8 million) to RMB85.3 million (equivalent to approximately HKD106.7 million).

Details of the acquisition of equipment are set out in the announcements of the Company dated July 3, 2014 and February 12, 2015.

As disclosed in the annual report of 2014, the auditor of the Company has identified certain matters ("**Matters**") during the course of its audit of the consolidated financial statements of the Company for the year ended September 30, 2014 and an investigation on the Matters ("**Investigation**") by an independent professional advisor was launched.

Details of the investigation are set out in the "Management Discussion and Analysis" section in this interim report.

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended September 30, 2014, as described in those annual consolidated financial statements.

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended standards and interpretations that have been issued and are effective for the Group's financial year commencing on October 1, 2014:

Amendments which do not have significant financial impact to the Group

Amendment to HKAS 19 (2011)	Defined benefit plans: employee contributions
Amendment to HKAS 32	Offsetting financial assets and financial liabilities
Amendment to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendment to HKAS 39	Novation of derivatives and continuation of hedge accounting
Amendment to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
HK(IFRIC) – Int 21	Levies
Annual improvements project	Annual improvements 2010-2012 cycle
Annual improvements project	Annual improvements 2011-2013 cycle

The adoption of the above 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.

There are no other new, revised standards and amendments to standards or interpretations that are effective for the first time for this interim period and could be expected to have a material impact on the Group.

(b) New standards and interpretations not yet adopted

The following new and amendments to standards and interpretations have been issued, but are not effective for the financial year beginning on October 1, 2014 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
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.

4. Segment Information

The Board is the chief operating decision-maker of the Company. 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
Branded OPLV products	Door and window frames systems marketed under "OPLV" brand and sold through distributors
Construction and industrial	Products sold for construction and industrial products 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 March 31, 2015 is as follows:

	Unaudited			
	Electronics parts	Branded OPLV products	Construction and industrial products	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	411,883	110,376	491,638	1,013,897
Cost of sales	(292,423)	(92,666)	(404,538)	(789,627)
Segment gross profit	119,460	17,710	87,100	224,270
Unallocated operating costs				(413,483)
Other income				8,571
Other losses – net				(93,177)
Finance costs – net				(8,755)
Share of loss of an associated company				(9,493)
Loss before income tax				(292,067)

The segment information for the operating segments for the six months ended March 31, 2014 is as follows:

	Unaudited			
	Electronics parts	Branded OPLV products	Construction and industrial products	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales to external customers	767,046	144,641	519,817	1,431,504
Cost of sales	(607,480)	(118,950)	(456,608)	(1,183,038)
Segment gross profit	159,566	25,691	63,209	248,466
Unallocated operating costs				(192,317)
Other income				135,809
Other losses – net				(40,624)
Finance costs – net				(3,308)
Profit before income tax				148,026

The analysis of the Group's revenue and gross profit from external customers attributed to the locations in which the sales originated during the six months ended March 31, 2015 and 2014 consists of the following:

	Unaudited Six months ended March 31, 2015					
	The PRC	**Australia**	**North America**	**Hong Kong**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Turnover – Sales to external customers	**573,556**	**324,181**	**87,085**	**15,742**	**13,333**	**1,013,897**
Cost of sales	**(409,874)**	**(283,228)**	**(69,395)**	**(14,123)**	**(13,007)**	**(789,627)**
Gross profit	**163,682**	**40,953**	**17,690**	**1,619**	**326**	**224,270**

	Unaudited Six months ended March 31, 2014					
	The PRC	Australia	North America	Hong Kong	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover – Sales to external customers	952,533	392,508	14,502	44,120	27,841	1,431,504
Cost of sales	(765,535)	(339,402)	(12,841)	(37,963)	(27,297)	(1,183,038)
Gross profit	186,998	53,106	1,661	6,157	544	248,466

5. Trade receivables

	Unaudited March 31, 2015	Audited September 30, 2014
	HK$'000	*HK$'000*
Trade receivables	**567,930**	954,212
Less: provision for impairment of receivables	**(170,592)**	(95,475)
Trade receivables – net	**397,338**	858,737
Bills receivables	**268**	190
Trade and bills receivables – net	**397,606**	858,927

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. (2014: 30 to 120 days). The Group does not hold any collateral as security.

The ageing analysis of the trade receivables based on due date was as follows:

	Unaudited March 31, 2015 *HK$'000*	Audited September 30, 2014 *HK$'000*
Current	**226,143**	627,706
1 – 30 days	**41,297**	63,566
31 – 60 days	**13,183**	13,216
61 – 90 days	**2,836**	58,800
91 – 180 days	**15,625**	95,637
181 days – 1 year	**98,522**	2
	397,606	858,927

As at March 31, 2015, receivables of HK$226,143,000 were neither past due nor impaired (At September 30, 2014: HK$627,706,000). These receivables relate to customers for whom there is no recent history of default.

As at March 31, 2015, an impairment provision of 171,463,000 were provided (as at September 30, 2014: HK$231,221,000).

Certain subsidiaries of the Group pledged trade receivables balances amounting to HK$41,060,000 to bank in exchange for cash as at March 31, 2015 (as at September 30, 2014: HK$162,351,000). The transactions have been accounted for as collateralized borrowings.

As at March 31, 2015, all trade receivables were non-interest bearing (as at September 30, 2014: Same).

6. Due from a related party

	Notes	**Unaudited March 31, 2015** *HK$'000*	Audited September 30, 2014 HK$'000
Due from a related company			
– Rongjin	*(a)*	**1,941**	4,200
Due from an associated company			
– Leading Sense	*(b)*	**–**	26,807

Notes:

(a) The balances are unsecured, interest-free and repayable on demand.

(b) The related company is controlled by family member of Mr. Pan, a director of the Company, during the six months ended March 31, 2015.

7. Trade payables

As at March 31, 2015 and September 30, 2014, the ageing analysis of the Group's trade payables based on invoice date was as follows:

	Unaudited March 31, 2015 *HK$'000*	Audited September 30, 2014 HK$'000
0 – 30 days	**12,291**	54,010
31 – 60 days	**6,541**	27,772
61 – 90 days	**6,432**	8,255
Over 90 days	**10,650**	38,475
	35,914	128,512

8. Expenses by nature

	Unaudited Six months ended March 31, 2015 *HK$'000*	Unaudited Six months ended March 31, 2014 *HK$'000*
Operating profit is stated after charging/ (crediting) the following:		
Auditor's remuneration – current period	**2,500**	2,000
Operating leases – land and buildings	**13,320**	16,710
Changes in inventories of finished goods and work in progress	**75,138**	(45,991)
Raw materials and consumables used	**680,069**	1,080,882
Loss on disposal of property, plant and equipment	**23**	–
Employee benefit expenses	**136,059**	156,519
Depreciation:		
Owned property, plant and equipment	**37,151**	34,686
Leased property, plant and equipment	**174**	88
Amortization of land use rights	**905**	125
Provision for impairment on prepayment to a supplier for purchases of raw materials	**16,122**	–
Write off of investment in associate	**5,893**	–
Write off of amounts due from an associated company	**39,976**	–
Write off of trade receivables	**181,579**	–
Legal and professional fees	**3,965**	3,792

9. Other income

	Unaudited Six months ended March 31, 2015 *HK$'000*	Unaudited Six months ended March 31, 2014 *HK$'000*
Government grant *(Note)*	–	133,220
Insurance claim	**172**	799
Forfeiture of customer deposits	**3**	1,549
Scrap sales	**6,301**	–
Others	**2,095**	241
	8,571	135,809

Note:

Government grant amounting to HK$133,220,000 (RMB104,604,000) represented incentive receivable from 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 in Nanyang City. HK$48,200,000 (RMB37,797,000) of such grant has been received in April 2014.

10. Other losses – net

	Unaudited Six months ended March 31, 2015 *HK$'000*	Unaudited Six months ended March 31, 2014 *HK$'000*
Net exchange losses	**(81,057)**	(7,071)
Gain on derivative financial instruments – foreign exchange forward contracts	**3,996**	828
Loss on derivative financial instruments – aluminium future contracts	**(16,116)**	(34,381)
	(93,177)	(40,624)

11. Finance income and costs

	Unaudited Six months ended March 31, 2015	Unaudited Six months ended March 31, 2014
	HK$'000	*HK$'000*
Interest income:		
Interest income on capital guaranteed fund	**–**	130
Interest income on bank deposits	**1,099**	2,845
Finance income	**1,099**	2,975
Interest expenses:		
Interest expense on bank borrowings wholly repayable within 5 years	**(9,687)**	(6,266)
Interest element of finance leases	**(167)**	(17)
Finance costs	**(9,854)**	(6,283)
Finance costs – net	**(8,755)**	(3,308)

12. Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits during the six months ended March 31, 2015.

The Group's operations in the PRC are subject to the PRC corporate income tax. The standard PRC Corporate income tax rate was 25% during the six months ended March 31, 2015.

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 March 31, 2015 (2014: Same).

	Unaudited Six months ended March 31, 2015	Unaudited Six months ended March 31, 2014
	HK$'000	*HK$'000*
Hong Kong profits tax		
– current period	**(496)**	(497)
– over-provision in prior periods	**–**	390
Overseas taxation		
– current period	**(7,492)**	(32,216)
– over-provision in prior periods	**–**	4,577
	(7,988)	(27,746)

13. Dividends

No dividend has been declared by the Company for the six months ended March 31, 2015 and 2014.

14. (Loss)/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.

	Unaudited Six months ended March 31, 2015 *HK$'000*	Unaudited Six months ended March 31, 2014 *HK$'000*
(Loss)/profit attributable to equity holders of the Company (HK$'000)	**(300,055)**	120,280
Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)	**1,199,405**	1,200,000
Basic (loss)/earnings per share (HK cents)	**(25.0)**	10.0

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 March 31, 2015 and 2014, respectively.

15. Events after the reporting period

(a) Construction in Nanyang, PRC

On April 8, 2015, PanAsia Aluminium (China) Co., Ltd ("**PACL**"), a wholly-owned subsidiary of the Company, entered into a construction contract with the 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 RMB56.9 million (equivalent to approximately HK$71.9 million). The phase 1 production of the construction had commenced on October 23, 2015. On November 17, 2015, the above said subsidiary 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 RMB46.6 million (equivalent to approximately HK$57.6 million). The workshops' construction has been completed as of the date of this report.

(b) Investment in Xinjiang

On April 10, 2015, PanAsia Aluminium (Hong Kong) Limited, a wholly-owned subsidiary of the Company, entered into an investment agreement with the Jimsar County Government by investing in a subsidiary with an estimated aggregate capital of at least RMB200 million (equivalent to approximately HKD254 million) at Xinjiang to produce high-end aluminium rods and aluminium rolled products. On December 18, 2015, the Group entered into an agreement with 吉木薩爾縣國土資源局 ("**JBLR**") by purchasing the land with a consideration of approximately RMB3.6 million (equivalent to approximately HKD4.4 million), which was waived by the JBLR.

(c) Change of the financial year end date

On September 30, 2016, the Board approved that the financial year end date of the Company will be changed from September 30, to December 31. Accordingly, the financial period will cover a period of fifteen months from October 1, 2015 to December 31, 2016.

The Board does not foresee any material financial implications for the Group as a result of the change of the financial year end date nor is there any other matter of significance that should be brought to the attention of the shareholders of the Company.

(d) Disposal of OPLV

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 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, the Group will cease to have any interest in the above entities and their subsidiaries and its financial results will no longer be consolidated into the Company's consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Business and Financial Overview

The Group is an aluminium products manufacturer based in Guangdong Province, the People's Republic of China ("**PRC**"), with a large and diverse portfolio of high quality products. We currently 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 first six months ended March 31, 2015 ("**Period Under Review**") was HKD1,014 million (2014: HKD1,432 million), representing a decrease of 29% as compared with the six months ended March 31, 2014 ("**2014 Period**"). The Group's overall gross profit margin stays stable at 22% for Period Under Review and is slightly higher than 2014 Period 17%; and the net profit after tax attributable to equity holders of the Company has turned from net profit into a net loss position of HKD300 million (2014: Net profit after tax HKD120 million). The major reasons for the net loss were (i) reduction in the sales orders for Electronics parts and Construction and industrial products from major customers of the Group leading to an excess production capacity; (ii) one-off adjustment including the write-off of investment in associate and the amount due from an associated company, and the impairment provision on receivable from the Australian customers; and (iii) the weak performance of the Australian Dollars ("**AUD**") in the Period Under Review.

Electronics Parts

The Electronics Parts segment contributed HK$412 million to the total revenue of the Group, representing a decrease of 46% as compared with HK$767 million for the 2014 Period. The gross profit margin of the Electronics Parts has restored the high profit margin from 21% for the 2014 Period to 29% for the Period Under Review.

Construction and Industrial Products

The revenue and gross profit margin of the Construction and Industrial Products segment were HK$492 million (2014 Period: HK$520 million) and 18% (2014 Period: 12%) for the Period Under Review respectively. The segment also experienced a decrease in revenue and an increase in gross profit in the Period Under Review. Australian sales have dropped 17% from HK$393 million in 2014 Period to HK$324 million for the period under review although there was only 17% dropped comparing the two periods in term of sales quantity. One of the reasons was the weak AUD against HKD as the selling price of the Group's products to the Australian market is in AUD, the continual weakening of AUD in the Period Under Review as compared to the 2014 Period, together with increasing prices of aluminium and other raw materials, have reduced the gross profit margin of the Construction and Industrial Products segment.

Branded OPLV Products

The Group had continued to develop the Branded OPLV Products market in the mainland China by engaging more distributors for selling Branded OPLV Products. This segment contributed 11% of the total group sales in Period Under Review which is higher than that in the 2014 period 10% although there was a slight drop in the gross profit margin from 18% for the 2014 Period to 16% for the Period Under Review.

Cost of sales

With the significant drop in sales, cost of sales decreased by 33% from HK$1,183 million for the 2014 Period to HK$790 million for the Period Under Review. This is more or less in line with the drop in total revenue.

Gross profit

Despite our gross profit declined by 10% from HK$248 million for the 2014 Period to HK$224 million for the Period Under Review, there was a slight increase in gross profit margin from 17% for the 2014 Period to 22% for the Period Under Review, due to the which help secure the gross profit margin of the Company.

Distribution and selling expenses

Distribution and selling expenses decreased by 29% from the 2014 Period to the Period Under Review. The decrease was mainly due to the decrease in transportation expenses and travelling expenses.

Administrative expenses

Administrative expenses rose significantly from HK$125 million for 2014 Period to HK$366 million the Period Under Review. The increase was mainly due to those one-off adjustments including the write-off investment in associate and the amount due from the associated company, and the impairment of provision on receivable.

Other income

Other income comprised sales of scrapped materials which was HK$6 million during the Period Under Review.

Other losses – net

Other losses increased by HK$52 million or 129% from the 2014 Period to HK$93 million for the Period Under Review. The increase comprised realized and unrealized exchange losses arising from the appreciation of the Renminbi ("**RMB**") and the depreciation of the AUD during the Period Under Review.

Finance income

Finance income mainly comprised interest income which was HK$1 million for Period Under Review compared to HK$3 million in 2014 Period due to lower average balances of bank deposits.

Finance costs

Net finance costs increased by HK$5.5 million from HK$3.3 million for 2014 Period to HK$8.8 million the Period Under Review.

Income tax expenses

We have a net income tax expenses of HK$8 million was mainly due to the finalization of the PRC corporate income tax assessments for the Period Under Review.

Prospects

Although sales of Electronics parts for Period Under Review decline, 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 research and development department is striving diligently to achieve the goals.

As for Construction and Industrial Products, the Group will stay focus on the sales to Australian customers, which are currently a challenging target after the loss of major customers. We will strive for securing more new sales orders protecting our market shares. At the same time, the Group will continue to develop new customers in Hong Kong, Macau and other regions. We will continue to look for opportunities in low risk financial instruments that may minimize the impact of foreign currency fluctuation to the Group's performance.

Liquidity and Financial Resources

The Group principally finances its operations through a combination of shareholders' equity, internally generated cash flow and borrowings. As at March 31, 2015 the Group had HKD156 million cash and cash equivalents (2014: HKD387 million) and had HKD25 million fixed bank deposits (2014: nil), HKD8 million pledged bank deposits, interest-bearing borrowings of HKD88 million denominated in Renminbi ("**RMB**") and United States Dollars ("**USD**") (2014: HKD480 million denominated in RMB and USD) and obligation under finance leases of HKD1.7 million denominated in HKD (as at September 30, 2014: same).

Charges on Asset

HKD8.9 million (2014: HKD9.0 million) of land use rights, HKD23.2 million (2014: HKD24.5 million) of buildings and HKD41.1 million (2014: HKD162.4 million) of trade receivables of the Group were pledged as security for the Group's bank borrowings.

Capital Structure

As at March 31, 2015 and March 31, 2014, the Company's issued share capital was HKD120,000,000, divided into 1,200,000,000 shares of HKD0.1 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 HKD against RMB may have impact on the Group's results. We hedged AUD exchange risk against HKD 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 price of aluminium could affect the Group's financial performance. The Group has entered into future contracts traded on the Shanghai Futures Exchange in order to mitigate the risk arising from fluctuation in aluminium price.

Significant Investment, Material Acquisition and Disposal

During the financial year ended September 30, 2014, PanAsia Aluminium (China) Co., Ltd ("**PACL**") entered into an agreement with a supplier for acquisition of equipment and machinery for an aggregate consideration of RMB145.3 million. On February 2, 2015, a supplemental agreement was entered into with the supplier to amend the total consideration for the acquisitions from RMB145.3 million (equivalent to approximately HKD183.5 million) to RMB85.3 million (equivalent to approximately HKD106.7 million). Details of the acquisition of equipment are set out in the announcements of the Company dated July 3, 2014 and February 12, 2015.

Capital Commitments

Capital commitments contracted by the Group but not yet provided for in the consolidated financial statements as at March 31, 2015 were approximately HKD150 million (2014: HKD163 million), which was mainly related to the acquisition of machineries in the PRC.

Contingent Liabilities

As at March 31, 2015, the Group had no contingent liabilities (2014: Nil).

Employee Information and Remuneration Policies

As at March 31, 2015, the Group employed approximately 3,800 staff (2014: 5,300). 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 HKD128 million (2014: HKD157 million).

INTERIM DIVIDEND

At the meeting of the Board held on January 19, 2018, the Board did not declare an interim dividend for the six months ended March 31, 2015.

OTHER INFORMATION

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.

Code on Corporate Governance

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 chairman 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 this 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. Therefore, 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. However, no Audit Committee meeting was held during the Year Under Review.

Financial Reporting

Furthermore, subsequent to the year ended September 30, 2014, and as announced on December 19, 2014, the Company has, upon the recommendation of the auditor, resolved to appoint the independent professional adviser ("**IPA**") to investigate into matters raised by the Auditor ("**Issues**"), including but are 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 of the Company for the Period Under Review is deferred until the date of this Report. 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 year ended September 30, 2015, and 15 months ended December 31, 2016 and the interim results for the six months ended June 30, 2017; (ii) publishing the related interim and annual report for the aforesaid years; and (iii) complying with the Code Provision C.1. The Company has not held its annual general meeting since 2015 for the approval of annual results for the aforesaid years.

Model Code for Securities Transactions by Directors

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 March 31, 2015 had complied with the Model Code provisions during the Period Under Review.

Events after the reporting period

Save as disclosed in note 15 to the condensed consolidated interim financial information, there is no material subsequent event undertaken by the Company or by the Group after March 31, 2015 and up to the date of this interim results announcement.

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. Chan Kai Nang and Mr. Leung Ka Tin.

The Audit Committee and the management of the Company have reviewed the accounting principles and practices adopted by the Group, as well as the unaudited condensed consolidated interim financial information for the six months ended March 31, 2015, and recommended their adoption to the Board.

The condensed consolidated interim financial information for the six months ended March 31, 2015 has not been audited, but has been reviewed by the audit committee of the Company.

Publication of Interim Report

This interim results announcement is published on the websites of the Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) and the Company (http://www.palum.com). The interim report of the Company for the six months ended March 31, 2015 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, January 19, 2018

As at the date of this announcement, the executive directors of the Company are Ms. Shao Liyn, Mr. Zhu Hongtao and Mr.Chan Kai Lun Allan; 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. Chan Kai Nang and Mr. Leung Ka Tin.