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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)

SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS FRAMEWORK AGREEMENT

BACKGROUND

Reference is made to the announcement (the “**Announcement**”) of PanAsialum Holdings Company Limited (the “**Company**”) dated 5 November 2018 in relation to the continuing connected transactions contemplated under the Framework Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information in relation to the continuing connected transactions contemplated under the Framework Agreement.

SUPPLEMENTAL INFORMATION IN RELATION TO THE FRAMEWORK AGREEMENT

The prices of aluminium products supplied by the Group to LumySH are determined in accordance with the Company’s pricing policy which is (i) by reference to the prices at which comparable types of aluminium products are supplied by the Group to Independent Third Parties under normal commercial terms in the ordinary course of its business in the PRC and (ii) on terms that are not more favourable to LumySH than those offered to Independent Third Parties. As part of the internal control measure, the Company’s sales team, which is supervised by the sales manager, also verifies the aforementioned referenced prices of aluminium on the PRC aluminium market price index on a monthly basis to ensure the prices in the Purchase Orders reflect the current market price for aluminium.

The price of each Purchase Order is determined with reference to (i) the PRC aluminium market price index as shown in the website of Lingtong Metal Information Co. Ltd., being one of the leading non-ferrous scrap metals information provider in the PRC (<http://www.lingtongmetal.com>) or LME (London Metal Exchange) aluminium price in United States Dollars as quoted from its website (<http://www.lme.com/metals/reports/averages>); (ii) a processing fee (applicable to all customers of the Company) ranging from renminbi 4,000 to renminbi 8,500 chargeable to LumySH, which varies depending on the type of product ordered, fixed and variable overheads generated in relation to the manufacture of such product and the factory utilization rate of the Group; and (iii) market price of other raw materials relating to the product.

For and on behalf of the Board of
PanAsialum Holdings Company Limited
Dr. Huang Gang
Chairman

Hong Kong, 9 November 2018

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