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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform shareholders of the Company and potential investors that based its preliminary assessment of current information available, the Company is expected to record an increase in loss before income tax in the consolidated financial results of the Company for the year ended 31 December 2018 as compared to the loss before income tax for the corresponding period in 2017.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by PanAsialum Holdings Company Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that based on its preliminary assessment of the information currently available, the Company is expected to record an increase in loss before income tax in the consolidated financial results of the Company for the year ended 31 December 2018 of approximately 36%, as compared to the audited loss before income tax of approximately HK$150 million for the corresponding period in 2017.

The Board believes that the said increase in the loss before income tax is primarily due to the unexpected depreciation of the Australian dollar against Hong Kong dollars during the year, which affected the performance of the Group's export sales to the Australian market, costs incurred in 2018 for the Company's recent resumption and operational restructuring and a decline in sales as a result the Group's focus on higher margin products and markets.

The Board wishes to emphasize that the Company is still in the process of finalising its consolidated annual results for the year ended 31 December 2018. The information in this announcement are estimates based on the Board's preliminary assessment of current information available to the Company which have not been audited or reviewed by the auditors of the Company and may be subject to adjustments. Shareholders and potential investors are advised to refer to the Group's annual results for the year ended 31 December 2018 which is expected to be released in March 2019 for full details of the Group's financial performance.

Shareholders and potential investors are advised to exercise caution when dealing in the shares in the Company.

On behalf of the Board of
PanAsialum Holdings Company Limited
Huang Gang
Chairman

Hong Kong, 29 January 2019

As at the date of this announcement, the executive directors of the Company are Dr. Huang Gang, Ms. Li Jiewen and Mr. Wong Kwok Wai Eddy; 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.