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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)

PROFIT WARNING

This announcement is made by PanAsialum Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review by the Board on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2021, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and taking into account the information currently available to the Board, it is expected that the Group will record (i) a decrease in operating loss before the Gain on Disposal of Land (as defined below) from approximately HK\$300.10 million for the year ended 31 December 2020 to approximately HK\$167.14 million for the year ended 31 December 2021; and (ii) a loss attributable to shareholders of approximately HK\$157.14 million for the year ended 31 December 2021, as compared to the profit attributable to shareholders of approximately HK\$920.83 million for the year ended 31 December 2020.

The profit attributable to shareholders for the year ended 31 December 2020 was primarily attributable to a one-off and non-recurring gain on disposal of a land parcel located in Zengcheng owned by the Group in the amount of approximately HK\$1,742.16 million (the “**Gain on Disposal of Land**”). For more details, please refer to the Company’s announcements dated 8 July 2020, 13 August 2020, 14 August 2020 and 5 January 2021 and circular dated 29 July 2020. Without taking into account the above-mentioned one-off and non-recurring Gain on Disposal of Land, the Group would have recorded a substantial loss attributable to shareholders of approximately HK\$821.33 million for the year ended 31 December 2020. Therefore, the Company considers a comparison between the operating profit and loss positions for the years ended 31 December 2020 and 2021 would be more appropriate for its shareholders to conduct a comprehensive and meaningful assessment on the performance of the Group.

The Board considers that the expected decrease in operating loss is primarily attributable to (i) an improvement in the gross profit margin from approximately 5% for the year ended 31 December 2020 to approximately 7.8% for the year ended 31 December 2021; and (ii) a decrease in finance costs from approximately HK\$109.85 million for the year ended 31 December 2020 to approximately HK\$41.66 million for the year ended 31 December 2021.

As the Company is still in the process of finalizing the unaudited consolidated final results of the Group for the year ended 31 December 2021, the information contained in this announcement is only based on the information currently available to the Board and the preliminary review by the Board on the unaudited management accounts of the Group for the year ended 31 December 2021, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company.

The actual financial results of the Group for the year ended 31 December 2021 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the results of the Group for the year ended 31 December 2021, which is expected to be published in March 2022 in accordance with the requirements of the Listing Rules.

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

On behalf of the Board of
PanAsialum Holdings Company Limited
Cheung Wah Keung
*Independent Non-executive Chairman
and Independent Non-executive Director*

Hong Kong, 11 February 2022

As at the date of this announcement, the executive Director is Mr. Pan Zhaolong; and the independent non-executive Directors are Mr. Leung Ka Tin, Dr. Cheung Wah Keung and Mr. Chan Kai Nang.