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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

FINANCIAL HIGHLIGHTS

	Year ended December 31,		% of changes
	2024	2023	
	HK\$'000	HK\$'000	
Operating results			
Revenue	917,179	1,036,675	-11.5%
Gross profit	164,240	163,782	0.3%
EBITDA	68,731	87,751	-21.7%
Profit for the year from continuing operations	28,081	27,299	2.9%
Profit attributable to owners of the Company	28,081	28,163	-0.3%
Profit per share attributable to owners of the Company			
Basic and diluted (<i>HK cents per share</i>)			
– Continuing operations	2.3	2.3	0%
– Discontinued operation	–	0.1	-100%
	2.3	2.4	-4.2%

The board (“**Board**”) of directors (“**Directors**”) of PanAsialum Holdings Company Limited (“**Company**”, together with its subsidiaries, “**Group**”) announces the consolidated annual results of the Group for the year ended December 31, 2024 (“**Year**”), together with the comparative figures as below.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

	<i>Notes</i>	Year ended December 31, 2024 HK\$’000	Year ended December 31, 2023 HK\$’000
Continuing operations			
Revenue	3	917,179	1,036,675
Cost of sales		(752,939)	(872,893)
Gross profit		164,240	163,782
Distribution and selling expenses		(25,743)	(30,589)
Administrative expenses		(148,041)	(196,970)
Other income	6	4,897	36,063
Other gains – net	7	3,369	7,692
Finance income/(costs) – net		7,157	(9,585)
Reversal of impairment loss on trade receivables		2,989	22,637
Gain on disposal of a subsidiary		–	9,608
Profit before income tax	8	8,868	2,638
Income tax credit	9	19,213	24,661
Profit for the year from continuing operations		28,081	27,299
Discontinued operation			
Profit for the year from discontinued operation	10	–	864
Profit for the year		28,081	28,163

	<i>Note</i>	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Earnings per share attributable to owners of the Company			
Basic and diluted (<i>HK cents per share</i>)	11		
– Continuing operations		2.3	2.3
– Discontinued operation		<u>–</u>	<u>0.1</u>
		<u>2.3</u>	<u>2.4</u>
Profit for the year		28,081	28,163
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		(17,224)	(18,666)
Reclassification adjustment on currency translation differences for foreign operations disposed of during the year		<u>–</u>	<u>(4,351)</u>
Release of foreign currency translation reserve upon deregistration of subsidiaries		<u>–</u>	<u>(133)</u>
Total comprehensive income for the year		<u>10,857</u>	<u>5,013</u>
Total comprehensive income for the year			
– Continuing operations		10,857	9,453
– Discontinued operation		<u>–</u>	<u>(4,440)</u>
		<u>10,857</u>	<u>5,013</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	<i>Note</i>	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		362,934	425,345
Right-of-use assets		241,896	229,058
Prepayments for property, plant and equipment		1,791	3,002
		606,621	657,405
Current assets			
Inventories		65,408	93,987
Trade receivables	4	226,450	223,119
Prepayments, deposits and other receivables		111,719	146,500
Income tax recoverable		–	1,606
Pledged bank deposits		34,835	82,663
Time deposits with original maturity over three months		78,000	–
Cash and cash equivalents		290,996	226,239
		807,408	774,114
Total assets		1,414,029	1,431,519
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		120,000	120,000
Reserves		611,900	601,043
Total equity attributable to owners of the Company		731,900	721,043

	<i>Note</i>	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		14,771	1,235
Borrowings		–	65,028
Income tax liabilities		–	214,746
		14,771	281,009
Current liabilities			
Trade and bills payables	5	12,313	65,896
Contract liabilities, other payables and accrued charges		103,233	115,284
Borrowings		251,633	145,575
Lease liabilities		8,858	1,599
Deferred income on government grants		12,204	12,688
Income tax liabilities		279,117	88,425
		667,358	429,467
Total liabilities		682,129	710,476
Total equity and liabilities		1,414,029	1,431,519

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

PanAsialum Holdings Company Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are principally engaged in the manufacturing and trading of aluminium products. The Company is an investment holding company. The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on October 7, 2005 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is a subsidiary of Easy Star Holdings Limited, a company incorporated in the British Virgin Islands (the “**BVI**”). In the opinion of the directors, the ultimate holding company of the Company is Genesis Trust & Corporate Services Limited, which is incorporated in the Cayman Islands and is beneficially and wholly-owned by a discretionary trust under which Mr. Pan Zhaolong, the Chairman, executive director and chief executive officer of the Company, is a nominated beneficiary.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Exchange**”) since February 5, 2013.

These consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**” or “**HKD**”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors (the “**Board**”) on March 26, 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The summary of material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Exchange. The consolidated financial statements have been prepared under the historical cost convention, except for financial instruments which are measured at fair value, as explained in the accounting policies set out below.

The preparation of the consolidated financial statements in accordance with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 Changes in accounting policy and disclosure

(a) Amended standards and interpretation adopted by the Group

The HKICPA has issued several amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current liabilities with Covenants (“ 2022 Amendments ”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

None of these amendments to HKFRS Accounting Standards has a material impact on the Group’s financial positions and performance for the current and prior years and/ or on the disclosures set out in these consolidated financial statements. The Group has not early applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

Amendments to HKAS 1 – Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants

The amendments to HKAS 1 clarify the following:

- An entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity’s right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity’s own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

The Group has reassessed the terms and conditions of its liabilities as at January 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments do not have any impact on these consolidated financial statements.

Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

As the Group does not have supplier finance arrangements, the amendments do not have any impact on these consolidated financial statements.

Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback

Prior to the amendments, HKFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the amendments require a seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on these consolidated financial statements.

(b) *New standards, interpretations and amendments not yet effective*

There are a number of new, revised, amendments to standards which have been issued by the HKICPA that are effective in future accounting periods that the Group has decided not to adopt early.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Impairments to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity ²

¹ Effective for annual periods beginning on or after January 1, 2025

² Effective for annual periods beginning on or after January 1, 2026

³ Effective for annual/reporting periods beginning on or after January 1, 2027

⁴ No mandatory effective date yet determined but available for adoption

3 REVENUE AND SEGMENT INFORMATION

(a) Reportable segments

The executive directors (“**ED(s)**”) of the Company, being the chief operating decision makers, regularly review operating segments based on reports that are used to make strategic decisions. The operating segment has been identified on the basis of internal management reports prepared and is regularly reviewed by the EDs of the Company and no analysis of product segment is presented.

An operating segment regarding the business of investment properties was discontinued during the year ended December 31, 2023. The segment information reported in this note does not include any amounts for the discontinued operation, which are described in more details as set out in Note 10.

Specifically, the Group’s reporting segment under HKFRS 8 Operating Segments is manufacture and trading of aluminium products. The segment is managed separately as the business offers specific products and services and requires specific business strategies.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is measure of adjusted profit/loss before income tax. The adjusted profit before income tax is measured consistently with the Group’s profit before income tax except that unallocated finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

For the year ended December 31, 2024

	Continuing operations
	Aluminium products HK\$'000
Reportable segment revenue	917,179
Reportable segment profit before income tax	34,244
Finance costs	(9,386)
Loss on disposal of property, plant and equipment, net	(912)
Depreciation of property, plant and equipment	
– allocated	(57,154)
– corporate	(1,247)
	(58,401)
Depreciation of right-of-use assets	
– allocated	(7,320)
– corporate	(1,299)
	(8,619)
Reversal of impairment loss on trade receivables	2,989
Research and development expenses	(45,779)
Income tax credit	19,213

For the year ended December 31, 2023

	Continuing operations
	Aluminium products <i>HK\$'000</i>
Reportable segment revenue	1,036,675
Reportable segment profit before income tax	25,733
Finance costs	(12,967)
Loss on disposal of property, plant and equipment, net	
– allocated	(27,630)
– corporate	130
	<u>(27,500)</u>
Written off of property, plant and equipment	(13,286)
Written off of prepayments	(12,213)
Reversal of impairment loss on inventories	6,772
Depreciation of property, plant and equipment	
– allocated	(61,808)
– corporate	(1,652)
	<u>(63,460)</u>
Depreciation of right-of-use assets	
– allocated	(10,265)
– corporate	(939)
	<u>(11,204)</u>
Reversal of impairment loss on trade receivables	22,637
Research and development expenses	(43,867)
Income tax credit	<u><u>24,661</u></u>

As at December 31, 2024

	Aluminium products HK\$'000
Reportable segment assets	1,378,514
Additions to non-current assets	4,249
Reportable segment liabilities	<u>657,618</u>

As at December 31, 2023

	Aluminium products HK\$'000
Reportable segment assets	1,421,812
Additions to non-current assets	8,043
Reportable segment liabilities	<u>702,269</u>

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

	Continuing operations	
	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Profit before income tax		
Reportable segment profit	34,244	25,733
Unallocated finance costs	(219)	(93)
Unallocated corporate expenses	<u>(25,157)</u>	<u>(23,002)</u>
Consolidated profit before income tax	<u>8,868</u>	<u>2,638</u>
	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
Assets		
Reportable segment assets	1,378,514	1,421,812
Unallocated cash and cash equivalents	2,325	1,356
Unallocated corporate assets	<u>33,190</u>	<u>8,351</u>
Consolidated total assets	<u>1,414,029</u>	<u>1,431,519</u>

	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
Liabilities		
Reportable segment liabilities	657,618	702,269
Unallocated corporate liabilities	<u>24,511</u>	<u>8,207</u>
Consolidated total liabilities	<u><u>682,129</u></u>	<u><u>710,476</u></u>

(c) Geographical information

The tables below present geographical segment information. The Group derives revenue from the continuing operations, manufacture and trading of aluminium products at a point in time in the following geographical regions:

	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Primary geographical markets		
The PRC	230,713	325,302
Australia	26,456	27,630
Vietnam	606,961	637,280
Canada	45,909	37,240
Others	<u>7,140</u>	<u>9,223</u>
Total	<u><u>917,179</u></u>	<u><u>1,036,675</u></u>
Time of revenue recognition		
At a point in time	<u><u>917,179</u></u>	<u><u>1,036,675</u></u>

The Group's sales contracts generally have an original expected duration of one year or less and accordingly, the Group has applied the practical expedient in HKFRS 15 not to disclose the transaction price allocated to the remaining performance obligations for the contracts existed at the end of the reporting period that has an original expected duration of one year or less.

The geographical locations of non-current assets are determined based on the countries of domicile of the companies now comprising the Group. The total of non-current assets located in respective geographical locations is as follows:

	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
The PRC	581,783	655,802
Hong Kong	3,495	1,603
Thailand	<u>21,343</u>	<u>–</u>
	<u><u>606,621</u></u>	<u><u>657,405</u></u>

(d) **Information about major customers**

Details of customers accounting for 10% or more of total revenue are as follows:

	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Customer A from aluminium products segment	606,961	637,280

4 TRADE RECEIVABLES

	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
Trade receivables	356,220	355,915
Less: impairment loss recognized	(129,770)	(132,796)
Trade receivables – net	226,450	223,119

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 90 days (December 31, 2023: Same). The Group does not hold any collateral as security.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

As at December 31, 2024, the ageing analysis of the trade receivables based on due date was as follows:

	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
Current	209,854	202,582
1 – 30 days	13,146	19,735
31 – 60 days	558	671
61 – 90 days	2,780	96
91 – 180 days	112	35
	226,450	223,119

5 TRADE AND BILLS PAYABLES

	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
Trade payables	12,313	38,230
Bills payables	–	27,666
Total trade and bills payables	<u>12,313</u>	<u>65,896</u>

As at December 31, 2024, the ageing analysis of the Group's trade and bills payables based on invoice date was as follows:

	December 31, 2024 HK\$'000	December 31, 2023 HK\$'000
0 – 30 days	7,241	18,157
31 – 60 days	2,363	7,439
61 – 90 days	439	2,225
Over 90 days	2,270	38,075
	<u>12,313</u>	<u>65,896</u>

6 OTHER INCOME FROM CONTINUING OPERATIONS

	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Government grants ⁽ⁱ⁾	2,149	3,865
Scrap sales	2,019	3,526
Rental income	–	717
Customs and other tax refund	–	9,913
Write back of other payables	–	10,867
Write back of contract liabilities	–	5,182
Others	729	1,993
	<u>4,897</u>	<u>36,063</u>

- (i) For the year ended December 31, 2024, government grants mainly include HK\$1,858,000 (year ended December 31, 2023: HK\$3,519,000) received from the PRC government for export, research and development activities. There were no unfulfilled conditions or contingencies related to these grants. The remaining amounts were transferred from deferred income to consolidated statement of comprehensive income during the respective year.

7 OTHER GAINS – NET FROM CONTINUING OPERATIONS

	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Net exchange gains	133	28
Effect of lease modification	(2)	39
Gain from changes in fair value of derivative financial instruments	3,238	7,492
Gain on deregistration of subsidiaries	–	133
	<u>3,369</u>	<u>7,692</u>

8 PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS

The Group's profit before income tax from continuing operations is arrived at after charging/(crediting):

	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Auditor's remuneration	2,480	2,765
Cost of inventories recognized as expenses	752,939	872,893
Loss on disposal of property, plant and equipment, net	912	27,500
Employee benefit expenses	86,870	74,459
Depreciation:		
– Owned property, plant and equipment	58,401	63,460
– Right-of-use assets	8,619	11,204
Written off of property, plant and equipment	–	13,286
Written off of prepayments	–	12,213
Reversal of impairment loss on inventories	–	(6,772)
Legal and professional fees	6,379	5,463
Research and development expenses (included in administrative expenses)	45,779	43,867
	<u>45,779</u>	<u>43,867</u>

9 INCOME TAX CREDIT FROM CONTINUING OPERATIONS

For the year ended December 31, 2024, no provision for Hong Kong profits tax has been provided as there is sufficient tax losses to offset with the assessable profits (year ended December 31, 2023: Same).

The Group's operations in the PRC are subject to the PRC corporate income tax. For the year ended December 31, 2024, no provision for PRC corporate income tax has been provided as is no assessable profit arising in the PRC (year ended December 31, 2023: Same). The standard PRC corporate income tax rate was 25% for the years ended December 31, 2023 and 2024, except that one of the PRC subsidiaries of the Company was qualified as a High and New Technology Enterprise in December 2022 and was entitled to enjoy a preferential income tax rate of 15% for a period of 3 years.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

The Group is operating in certain jurisdictions where the Pillar Two Rules are enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15% after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

	Year ended December 31, 2024 HK\$'000	Year ended December 31, 2023 HK\$'000
Hong Kong profits tax		
– current year	–	–
Overseas taxation		
– current year	3,847	12,509
– Over-provision in respect of prior years	(23,060)	(37,170)
	(19,213)	(24,661)

10 DISCONTINUED OPERATION

On December 19, 2023, the Group, through a wholly-owned subsidiary, entered into an agreement with an independent purchaser to dispose of the entire issued share capital in a subsidiary, 昌吉准東經濟技術開發區宏睿鋁業有限公司 (“JSWR”), at the consideration of RMB16,394,000 (equivalent to HK\$18,609,000) in cash. JSWR was principally engaged in property holding in the PRC. On December 30, 2023, the disposal was completed. Upon completion of the disposal, the Group no longer engages in investment properties operation and accordingly, the operation was classified as discontinued operation.

	Year ended December 31, 2023 HK\$'000
Administrative expenses	(3,244)
Other income	664
Change in fair value of investment properties	–
Loss before income tax	(2,580)
Gain on disposal of the discontinued operation	3,444
Profit from discontinued operation	864

11 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended December 31, 2024	Year ended December 31, 2023
Earnings attributable to owners of the Company (<i>HK\$'000</i>)		
Continuing operations	28,081	27,299
Discontinued operation	–	864
	<u><u>28,081</u></u>	<u><u>28,163</u></u>
Weighted average number of ordinary shares in issue less shares held for share award scheme (<i>thousands</i>)	1,199,405	1,199,405
	<u><u>1,199,405</u></u>	<u><u>1,199,405</u></u>

Diluted

For the years ended December 31, 2023 and 2024, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options since their exercise price exceeded average market price, and such options result in no dilutive effect on earnings per share.

12 DIVIDENDS

No dividend has been paid or declared by the Company during the year ended December 31, 2024 (year ended December 31, 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an aluminium products manufacturer and trader with production plants in the People's Republic of China (“**PRC**”), making and selling a large and diverse portfolio of high quality products to its customers.

PERFORMANCE OVERVIEW

For the year of 2024, the overall contraction in revenue aligned with our strategic response to current market dynamics. We are navigating a challenging economic environment characterized by subdued domestic demand and industry-wide oversupply. Furthermore, we proactively tightened credit controls, particularly within the domestic market, to mitigate potential future risks. While this prudent measure contributed to a decrease in sales orders, it underscores our commitment to long-term financial stability. Despite these headwinds, our disciplined approach to cost management and operational efficiency yielded positive results. We are pleased to report steady growth in gross profit margin. We remain confident in our strategic direction and our ability to deliver sustainable value.

For the year ended December 31, 2024 (“**Year**”), the Group recorded revenue of approximately HK\$917.2 million, representing a decrease of approximately 11.5% as compared to the year ended December 31, 2023. Due to the sustained endeavours in cost containment and enhancements in production efficacy, the gross profit margin of the Group increased to approximately 17.9% for the Year (year ended December 31, 2023: approximately 15.8%). The profit attributable to owners of the Company amounted to approximately HK\$28.1 million for the Year, representing a decrease by 0.3% as compared to the year ended December 31, 2023.

Revenue

The Group's revenue derived from Solar Panels, Consumer Electronics, Industrial Products and Electric Vehicles for the Year was approximately HK\$630.9 million, HK\$63.6 million, HK\$89.5 million and HK\$133.2 million respectively, accounting for approximately 68.8%, 6.9%, 9.8% and 14.5% of the total revenue, respectively. When compared to the year ended December 31, 2023, these indicates a decrease of 5.1% in Solar Panels, 56.0% in Consumer Electronics, and 16.5% in Industrial Products, while Electric Vehicles observed an increase of 10.7%. The decline in overall revenue was driven primarily by the impact of slowing economic growth within the domestic market.

The Group recorded an overall decrease in all geographic locations, primarily the PRC and Vietnam, representing a decrease of approximately 29.1% and 4.8% for the Year as compared with 2023. The decrease in the PRC market was mainly due to the sluggish demand for Consumer Electronics and Industrial Products, while the decrease in the Vietnam was mainly due to the reduced orders of Solar Panels.

Cost of Sales

The Group's cost of sales shrank by 13.7% from approximately HK\$872.9 million for the year ended December 31, 2023 to approximately HK\$752.9 million for the Year. Such decrease was mainly due to the decrease in sales volume and the Group's continuous implementation of effective stringent cost control measures.

Gross Profit and Gross Profit Margin

During the Year, the Group's gross profit amounted to approximately HK\$164.2 million (December 31, 2023: approximately HK\$163.8 million) and the overall gross profit margin amounted to approximately 17.9% (December 31, 2023: approximately 15.8%). The increase of the Group's overall gross profit margin was primarily due to the continuous enhancement in operating efficiency and optimisation of product mix.

Distribution and Selling Expenses

Distribution and selling expenses decreased to approximately HK\$25.7 million for the Year from approximately HK\$30.6 million for the year ended December 31, 2023, which was primarily contributed by the decrease in transportation costs, and sales commission. The drop in transportation costs and sales commission was in line with the decrease in sales.

Administrative Expenses

Administrative expenses mainly comprise research and development costs, salaries and benefit expenses, government levies, depreciation charges, reversal of impairment loss on inventories and loss on disposal of fixed assets. Administrative expenses decreased to approximately HK\$148.0 million for the Year from approximately HK\$197.0 million for the year ended December 31, 2023, which was primarily due to a decrease in impairment loss on properties, plant and equipment, as well as impairment loss on prepayment of approximately HK\$13.3 million and HK\$12.2 million respectively. Additionally, the loss on disposal of fixed assets declined by approximately HK\$26.6 million, which was offsetted by a decrease of reversal of impairment loss on inventories of approximately HK\$6.8 million for the Year as compared with those for the year ended December 31, 2023.

Other Income

Other income decreased from approximately HK\$36.1 million for the year ended December 31, 2023 to approximately HK\$4.9 million for the Year. Such decrease was primarily contributed by the decrease in custom refunds of our overseas operations of approximately HK\$9.9 million, and the decrease in the gain from write back of other payables and contract liabilities of HK\$16.1 million.

Other Gains – Net

Other gains decreased from approximately HK\$7.7 million for the year ended December 31, 2023 to approximately HK\$3.4 million for the Year. The primary contributor to the decrease during the Year was the decrease in gain on settlement of derivative financial instruments from approximately HK\$7.5 million to approximately HK\$3.2 million during the Year.

During the Year, the Group entered into aluminum future contracts in order to manage its exposure to the price risk of aluminium. The gain on settlement of derivative financial instruments – aluminum future contracts was approximately HK\$3.2 million during the year, compared with the gain of approximately HK\$7.5 million for the year ended December 31, 2023.

Finance Income

Finance income increased from approximately HK\$3.5 million for the year ended December 31, 2023 to approximately HK\$16.8 million for the Year primarily attributable to interest income earned on bank deposits. The enhancement in the finance income is a reflection not only of the prudent management of our cash reserves, which led to higher interest earnings, but also of significant improvements in our cash flow management that enabled the Group to increase the bank deposits and consequently, the interest income.

Finance Costs

Finance costs amounted to approximately HK\$9.6 million for the Year compared to approximately HK\$13.1 million for the year ended December 31, 2023. The decrease in finance costs was primarily due to the successful refinancing of higher interest rate bank loans with loans carrying more favorable interest rates during the Year. This strategic debt management resulted in a decrease in interest expenses compared to the year ended December 31, 2023.

Income Tax Credit

Income tax credit mainly represented amounts of current tax paid or payable at the applicable tax rates in accordance with the relevant laws and regulations in Hong Kong and the PRC. During the Year, income tax credit was approximately HK\$19.2 million due to reversal of PRC income tax, compared to approximately HK\$24.7 million for the year ended December 31, 2023, which was due to the over-provision of tax payable in the PRC in respect to previous years.

OUTLOOK AND PROSPECTS

Looking ahead, we anticipate that ongoing trade tensions and the cancellation of export tax rebates will continue to present short to mid-term challenges. However, this development will also accelerate the Group's strategic transformation, driving further advancements in technical know-how, research and development, and innovation. We are committed to leveraging these strengths to enhance our competitiveness and adapt to the evolving industry landscape.

The Group will adhere to the principle of quality and will give due consideration to investment return when evaluating new investment projects. However, the increase in the mandatory energy storage and the market-based electricity sales requirements, along with the land supply constraints and the grid connection issues, have created uncertainty to the project investment returns.

Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

Discloseable Transaction relating to Lease Agreement

On November 4, 2024, Pansea Aluminium (Thailand) Co., Ltd., a wholly-owned subsidiary of the Company, as the lessee (the “**Lessee**”) entered into the lease agreement with Than Asset and Property Co., Ltd., a company registered under and operating in accordance with the laws of Thailand with limited liability, as the lessor (“**Lessor**”) in respect of the lease of a factory facilities with total factory area of 15,480 square metres located at 102/20 Moo 7, Tambol Bowin, Amphur Sriracha, Chonburi Province, Thailand (“**Premises**”) for a term of three (3) years commencing from November 4, 2024 and ending on November 3, 2027 (“**Lease Agreement**”).

The Premises would be used for operating the business in relation to the manufacturing and distribution of aluminium products and any other business conducted by the Lessee. The rate of rental payments under the Lease Agreement would be THB2,941,200 per month (excluding property tax), which was determined after arm’s length negotiations with reference to (i) the prevailing market rental of comparable properties in the vicinity of the Premises; and (ii) the conditions and specifications of the Premises.

In accordance with HKFRS 16 “Leases”, the Group would recognize rental payments under the Lease Agreement as right-of-use assets with an estimated value of approximately HK\$21,923,000, which is measured at the present value of the aggregate lease payments discounted using the Group’s incremental borrowing rate in Thailand. The Lease Agreement and the transactions contemplated thereunder would be recognized as acquisition of right-of-use assets which constituted a one-off transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Exchange**”) (“**Listing Rules**”). For details, please refer to the announcement of the Company dated 4 November 2024..

Save as disclosed, the Group did not have any other significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures during the Year.

EVENT AFTER REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2024 and up to the date of this announcement.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly used its internally generated cashflow and borrowings for its capital expenditure and working capital. As at December 31, 2024, the Group's financial position included approximately HK\$291.0 million in cash and cash equivalents, up from approximately HK\$226.2 million as at December 31, 2023, and approximately HK\$112.8 million in pledged bank deposits and time deposits with original maturity over three months, an increase from approximately HK\$82.7 million as at December 31, 2023. Interest-bearing borrowing stood at approximately HK\$251.6 million, a decrease from approximately HK\$210.6 million as at December 31, 2023, with all borrowings denominated in RMB. The growth in cash reserves and the reduction in debt levels can be attributed to the Group's strategic improvements in credit management, capital allocation, and debt restructuring.

PLEDGED ASSETS

As at December 31, 2024, assets with a total carrying amount of approximately HK\$305.9 million (December 31, 2023: approximately HK\$206.6 million) of the Group were pledged, including property, plant and equipment, right-of-use assets and bank deposits for the Group's bills payables and borrowings.

SUMMARY OF KEY FINANCIAL RATIOS

	Year ended December 31, 2024	Year ended December 31, 2023
Gross Profit Margin ⁽¹⁾	17.9%	15.8%
Return on Equity ⁽²⁾	3.8%	3.9%
Interest Coverage Ratio ⁽³⁾	1.92	1.27
	As at December 31, 2024	As at December 31, 2023
Current Ratio ⁽⁴⁾	1.21	1.80
Quick Ratio ⁽⁵⁾	1.11	1.58
Gearing Ratio ⁽⁶⁾	N/A	N/A
Debt to Equity Ratio ⁽⁷⁾	N/A	N/A

(1) The calculation of Gross Profit Margin is based on gross profit divided by revenue and multiplied by 100%.

(2) The calculation of Return on Equity is based on profit attributable to owners of the Company divided by equity attributable to owners of the Company and multiplied by 100%.

- (3) The calculation of Interest Coverage Ratio is based on profit before interest and tax expenses divided by finance costs.
- (4) The calculation of Current Ratio is based on current assets divided by current liabilities.
- (5) The calculation of Quick Ratio is based on current assets less inventories divided by current liabilities.
- (6) The calculation of Gearing Ratio is based on net debt (total borrowings less cash and cash equivalents) divided by sum of total equity and net debt multiplied by 100%.
- (7) The calculation of Debt to Equity Ratio is based on total borrowings less cash and cash equivalents divided by total equity multiplied by 100%.

CAPITAL STRUCTURE

As at December 31, 2024 and December 31, 2023, the Company's issued share capital was HK\$120,000,000, divided into 1,200,000,000 shares of HK\$0.1 each.

FOREIGN EXCHANGE RISK

The Group continued to receive United States Dollar (“USD”) and RMB from the sales to major customers during the Year, 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 USD against RMB may have impact on the Group's results. Currently, the Group has not entered into any agreements or purchased any instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of USD and RMB may have an impact on the operating results of the Group.

COMMODITY PRICE RISK ON ALUMINIUM

The Group is exposed to commodity price risk because aluminium ingots are the major raw materials of the Group's products. Any change in prices 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.

The Group recognized a total gain on derivative financial instruments of approximately HK\$3.2 million during the Year (December 31, 2023: total gain of approximately HK\$7.5 million). Management considers the fluctuation on the commodity price of aluminium do not have a significant impact on the Group's earnings and cash flows in the long run.

CAPITAL COMMITMENTS

Capital commitments contracted by the Group but not yet provided for in the consolidated financial statements as at December 31, 2023 amounted to approximately HK\$16.2 million (December 31, 2023: approximately HK\$16.1 million), which was mainly related to the acquisition of plant and machineries in the PRC.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year 2024 (2023: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except the future plans as disclosed in the paragraph headed “Outlook and Prospects”, the Group had no other future plans for material investments or capital assets as at December 31, 2024.

CONTINGENT LIABILITIES

As at December 31, 2023 and 2024, the Group had no significant contingent liabilities.

EMPLOYEE INFORMATION AND REMUNERATION POLICIES

As at December 31, 2024, the Group employed approximately 721 staff (December 31, 2023: approximately 779). The Group’s remuneration package is determined with reference to the experience and qualifications of the individual employee and general market conditions. The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, provident funds, bonuses and share incentives. The Group also ensures that all employees are provided with adequate training and continued professional opportunities according to their needs. During the Year, the Group incurred staff costs (including Directors’ emoluments) of approximately HK\$86.9 million (year ended December 31, 2023: approximately HK\$74.5 million).

The Directors’ fees are subject to shareholders’ approval at general meetings every year. Other emoluments are determined by the Board with reference to Directors’ duties, responsibilities and performance, their qualifications and experience, the results of the Group and the prevailing market rates.

OTHER INFORMATION

Directors Securities Transaction

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry, all Directors confirmed that they had complied with the Model Code provisions during the Year.

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 Year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company’s listed securities (including treasury shares) during the Year.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance and the Board considers that effective corporate governance is an essential factor to corporate success and to enhance the shareholders’ value. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance and alignment with the latest developments of Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Listing Rules.

The Group has applied the principles and complied with the code provisions of the CG Code throughout the Period with the exception of the following deviation:

Code Provision C.2.1

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Since July 1, 2022, the chairman and chief executive officer of the Company are performed by same individual, Mr. Pan Zhaolong. The Board would meet regularly to consider major matters affecting the operations of the Company. It is considered that this structure would not impair the balance of power and authority between the Directors and the management of the Company and believe that the current structure would enable the Group to make and implement decisions promptly and efficiently. However, going forward, the Board will review from time to time the need to separate the roles of the chairman and the chief executive officer if the situation warrants it.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BOO Limited on this preliminary announcement.

AUDIT COMMITTEE

The Company has an 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. Man Yiu Kwong Nick, Dr. Cheung Wah Keung, and Mr. Chan Kai Nang.

The Audit Committee and the management have reviewed the accounting principles and practices adopted by the Group, as well as the audited consolidated financial statements for the Year and has recommended their adoption to the Board.

PUBLICATION OF ANNUAL REPORT

This annual results announcement is published on the websites of the Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.palum.com>). The annual report of the Company for the Year 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 in accordance with the Listing Rules.

By order of the Board
PanAsialum Holdings Company Limited
Pan Zhaolong
Chairman and Executive Director

Hong Kong, March 26, 2025

As at the date of this announcement, the executive directors of the Company are Mr. Pan Zhaolong and Mr. Ho Pak Yiu; the non-executive director of the Company is Ms. Lam Yuen Man Maria; and the independent non-executive directors of the Company are Dr. Cheung Wah Keung, Mr. Chan Kai Nang and Mr. Man Yiu Kwong Nick.