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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the six months ended June 30, 2025 was approximately HK\$242.8 million, a decrease of 44.0% compared with approximately HK\$433.9 million the corresponding period in year 2024;
- Gross profit for the six months ended June 30, 2025 was approximately HK\$28.7 million, a decrease of 61.5% as compared with approximately HK\$74.6 million for the corresponding period in year 2024;
- Gross profit margin for the six months ended June 30, 2025 was approximately 11.8%, a decrease of 5.4% as compared with approximately 17.2% for the corresponding period in year 2024;
- Loss attributable to owners of the Company for the six months ended June 30, 2025 was approximately HK\$26.4 million, compared with a profit of approximately HK\$5.9 million for the corresponding period in year 2024; and
- Basic loss per share for the six months ended June 30, 2025 of 2.20 HK cents (six months ended June 30, 2024: earnings per share of 0.49 HK cents).

The board (“**Board**”) of directors (“**Directors**”) of PanAsialum Holdings Company Limited (“**Company**”, together with its subsidiaries, “**Group**”) announces the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025, together with the comparative figures for the corresponding period in 2024.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

		Unaudited June 30, 2025 HK\$'000	Audited December 31, 2024 HK\$'000
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	337,743	362,934
Right-of-use assets		218,054	241,896
Prepayments for property, plant and equipment		2,084	1,791
		<u>557,881</u>	<u>606,621</u>
<b>Current assets</b>			
Inventories		69,936	65,408
Trade receivables	8	159,938	226,450
Prepayments, deposits and other receivables		103,834	111,719
Pledged bank deposits		7,800	34,835
Time deposit with original maturity over three months		78,000	78,000
Cash and cash equivalents		169,162	290,996
		<u>588,670</u>	<u>807,408</u>
<b>Total assets</b>		<u><b>1,146,551</b></u>	<u><b>1,414,029</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	9	120,000	120,000
Reserves		588,917	611,900
<b>Total equity attributable to owners of the Company</b>		<u><b>708,917</b></u>	<u><b>731,900</b></u>

		<b>Unaudited</b>	<b>Audited</b>
		<b>June 30,</b>	<b>December 31,</b>
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		–	14,771
Borrowings	11	<u>34,340</u>	<u>–</u>
		<u>34,340</u>	<u>14,771</u>
<b>Current liabilities</b>			
Trade and bills payables	12	10,645	12,313
Contract liabilities, other payables and accrued charges		76,594	103,233
Borrowings	11	182,601	251,633
Lease liabilities		2,156	8,858
Deferred income on government grants		12,115	12,204
Income tax liabilities		<u>119,183</u>	<u>279,117</u>
		<u>403,294</u>	<u>667,358</u>
<b>Total liabilities</b>		<u>437,634</u>	<u>682,129</u>
<b>Total equity and liabilities</b>		<u>1,146,551</u>	<u>1,414,029</u>

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2025

		Unaudited Six months ended June 30, 2025 HK\$'000	Unaudited Six months ended June 30, 2024 HK\$'000
	Notes		
Revenue	6	242,783	433,942
Cost of sales		(214,093)	(359,320)
<b>Gross profit</b>		<b>28,690</b>	<b>74,622</b>
Distribution and selling expenses		(8,377)	(12,359)
Administrative expenses		(57,441)	(69,704)
Other income		4,977	4,268
Other gains – net	14	4,881	4,461
Finance income – net	15	1,881	4,608
<b>(Loss)/profit before income tax</b>		<b>(25,389)</b>	<b>5,896</b>
Income tax	16	(1,005)	–
<b>(Loss)/profit for the period</b>		<b>(26,394)</b>	<b>5,896</b>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
Basic and diluted (HK cents per share)	18	(2.20)	0.49

	Unaudited Six months ended June 30, 2025 HK\$'000	Unaudited Six months ended June 30, 2024 HK\$'000
<i>Notes</i>		
<b>(Loss)/profit for the period</b>	<b>(26,394)</b>	<b>5,896</b>
<b>Other comprehensive income:</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	<b>2,326</b>	<b>(5,695)</b>
<i>Items reclassified to profit or loss:</i>		
Exchange differences reclassified to profit or loss upon deregistration of a subsidiary	<b>1,085</b>	<b>–</b>
Other comprehensive income/(loss) for the period	<b>3,411</b>	<b>(5,695)</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(22,983)</b>	<b>201</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

PanAsialum Holdings Company Limited (“**Company**”) and its subsidiaries (together, the “**Group**” or “**PanAsialum**”) 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 and its principal place of business is Unit 01, 26/F, Tower 2, The Millennity, 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since February 5, 2013.

These unaudited condensed consolidated interim financial statements is presented in Hong Kong Dollar (“**HK\$**” or “**HKD**”), unless otherwise stated. These unaudited condensed consolidated interim financial statements have been reviewed by the Audit Committee and approved for issue by the board of Directors (“**Board**”) on August 25, 2025.

## 2 BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It is also in compliance with applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3. However, not all are expected to impact the Group as they are either not relevant to the Group’s activities or require accounting which is consistent with the Group’s current accounting policies.

The preparation of condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These unaudited interim financial statements contains condensed consolidated interim financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards (“**HKFRS**”).

### 3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended December 31, 2024, as described in those annual consolidated financial statements.

The HKICPA has issued the following amendment to HKFRSs that are first effective and relevant for the current accounting period of the Group:

- Amendments to HKAS 21, *Lack of Exchangeability*

The adoption of this amendment does not have any material financial effect on the Group's condensed consolidated interim financial statements.

The Group has not adopted new or amendments to HKFRSs that have been issued but are not yet effective in advance.

### 4 FINANCIAL RISK MANAGEMENT

#### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group is not exposed to material equity price risk. There have been no changes in any risk management policies since the last year end.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2024.

#### 4.2 Liquidity risk

Compared to the last year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

#### 4.3 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 recognised a total gain from changes in fair value of derivative financial instruments of approximately HK\$131,000 during the period ended June 30, 2025 (2024: approximately HK\$2,924,000).

There was no outstanding balances of future contracts entered as at June 30, 2025.

#### 4.4 Fair value estimation

The carrying amounts of the Group's other financial assets and liabilities approximate their fair values due to their short maturity.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this interim condensed consolidated financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial information for the year ended December 31, 2024.

## 6 REVENUE AND SEGMENT INFORMATION

### (a) Reportable segment

The executive directors (“ED(s)”) of the Company, being the chief operating decision makers, regularly review operating segment 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.

The Group has identified one operating segment which is manufacture and trading of aluminum products.

### (b) Geographical information

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

	<b>Unaudited Six months ended June 30, 2025 HK\$'000</b>	<b>Unaudited Six months ended June 30, 2024 HK\$'000</b>
Vietnam	158,543	287,550
The PRC	68,569	92,509
Australia	6,924	16,488
Others	8,747	37,395
Total	<b>242,783</b>	<b>433,942</b>
<b>Time of revenue recognition</b>		
At a point in time	<b>242,783</b>	<b>433,942</b>



## 7 PROPERTY, PLANT AND EQUIPMENT

	Unaudited Six months ended June 30, 2025 HK\$'000	Audited Year ended December 31, 2024 HK\$'000
Opening net book amount	362,934	425,345
Exchange differences	1,822	(5,167)
Additions	3,655	2,440
Disposals	(2,848)	(1,283)
Depreciation ( <i>Note 13</i> )	(27,820)	(58,401)
	<u>337,743</u>	<u>362,934</u>
Closing net book amount	<u>337,743</u>	<u>362,934</u>

## 8 TRADE RECEIVABLES

	Unaudited June 30, 2025 HK\$'000	Audited December 31, 2024 HK\$'000
Trade receivables	292,848	356,220
Less: impairment loss recognised	(132,910)	(129,770)
	<u>159,938</u>	<u>226,450</u>
Trade receivables – net	<u>159,938</u>	<u>226,450</u>

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, 2024: Same). The Group does not hold any collateral as security.

The ageing analysis of the trade receivables net of impairment loss recognised, based on due date was as follows:

	Unaudited June 30, 2025 HK\$'000	Audited December 31, 2024 HK\$'000
Current	158,762	209,854
1–30 days	894	13,146
31–60 days	34	558
61–90 days	239	2,780
91–180 days	9	112
	<u>159,938</u>	<u>226,450</u>
	<u>159,938</u>	<u>226,450</u>

As at June 30, 2025, receivables of approximately HK\$159,938,000 were neither past due nor impaired (December 31, 2024: approximately HK\$226,450,000). These receivables relate to customers for whom there is no recent history of default.

As at June 30, 2025, all trade receivables were non-interest bearing (December 31, 2024: Same).

## 9 SHARE CAPITAL

	Unaudited June 30, 2025		Audited December 31, 2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorized:				
Ordinary shares of HK\$0.10 each	<u>2,400,000,000</u>	<u>240,000</u>	<u>2,400,000,000</u>	<u>240,000</u>
Issued and fully paid:	<u>1,200,000,000</u>	<u>120,000</u>	<u>1,200,000,000</u>	<u>120,000</u>

As at June 30, 2025 and December 31, 2024, the total number of issued ordinary shares of the Company included 595,000 shares held for the share award scheme, representing approximately 0.05% of the issued share capital of the Company.

## 10 SHARE OPTION SCHEME

As at January 1, 2025 and June 30, 2025, no outstanding number of option is available for grant under the Share Option Scheme after its expiry on January 18, 2023.

Details of the share options movements during the Period under the Share Option Scheme are as follows:

Name or category of grantee	Date of grant of share options	Exercise price (HKD)	Exercise period	Number of share options					Balance as at June 30, 2025	
				Balance as at January 1, 2025	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period		
<b>Directors</b>										
Dr. Cheung Wah Keung	23/12/2019	0.396 <sup>(Note 1)</sup>	23/12/2019 – 22/12/2029 <sup>(Note 2)</sup>	1,200,000	–	–	–	–	1,200,000	
Mr. Chan Kai Nang	23/12/2019	0.396 <sup>(Note 1)</sup>	23/12/2019 – 22/12/2029 <sup>(Note 2)</sup>	1,200,000	–	–	–	–	1,200,000	
<b>Other Participants</b>										
Employees	23/12/2019	0.396 <sup>(Note 1)</sup>	23/12/2019 – 22/12/2029 <sup>(Note 2)</sup>	8,032,000	–	–	(280,000)	–	7,752,000	
Service Providers <sup>(Note 3)</sup>	23/12/2019	0.396 <sup>(Note 1)</sup>	23/12/2019 – 22/12/2029 <sup>(Note 2)</sup>	10,800,000	–	–	–	–	10,800,000	
<b>Total</b>				21,232,000	–	–	(280,000)	–	20,952,000	

### Notes:

- \* Save as disclosed herein, there are no other Directors, chief executive or substantial shareholders of the Company, or their respective associates that have been granted share options pursuant to the Share Option Scheme.
- \*\* No participants were granted options in excess of the 1% individual limit pursuant to the Share Option Scheme.
- \*\*\* No related entity participant or service provider for goods or services were granted options exceeding 0.1% of the number of shares in issue in any 12-month period pursuant to the Share Option Scheme.

1. The closing price of the shares of the Company immediately before December 23, 2019, on which those options were granted, was HK\$0.38.
2. The share options are exercisable for a period of 10 years from the date of grant, subject to the vesting period as follows: (i) 60% of the share options be vested on the date of grant; and (ii) 40% of the share options be vested on the first anniversary of the date of grant. No performance targets are attached to the options.
3. The share options were granted to a sales and marketing relations consultant appointed on July 1, 2019. The rationale for such grant was to serve as the consideration of the services provided by the consultant.

## 11 BORROWINGS

	Unaudited June 30, 2025 HK\$'000	Audited December 31, 2024 HK\$'000
Current		
Bank loans	182,601	251,633
Non-current		
Bank loans	34,340	–
Total	<u>216,941</u>	<u>251,633</u>

As at June 30, 2025, the effective interest rate of the interest-bearing borrowings was 3.23% per annum (December 31, 2024: 4.03% per annum). The Group's bank borrowings carry interest at floating rates and their carrying amounts approximate their fair values.

As at June 30, 2025, the Group's facilities were secured by the following:

- (i) guarantees of the Company and subsidiaries of the Company (December 31, 2024: the Company and a subsidiary);
- (ii) guarantees of a director of the Company (December 31, 2024: Same);
- (iii) pledge of the Group's certain property, plant and equipment and right-of-use assets (December 31, 2024: Same); and
- (iv) pledge of the Group's certain bank deposits (December 31, 2024: Same).

The Group's non-current bank loan of approximately HK\$34,340,000 contains covenants that require one of the Group's subsidiaries that debt to assets ratio shall be higher than 70%. The loan will be repayable on demand if the covenant is not met. The covenant is required to be complied with at any time throughout the loan term. As at June 30, 2025, the Group's subsidiary complied with and the Group considers there is no indication that will have difficulties in complying the covenants. Therefore, all of these borrowings remain classified as non-current liabilities.

## 12 TRADE AND BILLS PAYABLES

As at June 30, 2025 and December 31, 2024, the ageing analysis of the Group's trade and bills payables based on invoice date was as follows:

	Unaudited June 30, 2025 HK\$'000	Audited December 31, 2024 HK\$'000
0–30 days	6,917	7,241
31–60 days	847	2,363
61–90 days	277	439
Over 90 days	2,604	2,270
	<b>10,645</b>	<b>12,313</b>

## 13 (LOSS)/PROFIT BEFORE INCOME TAX

Unaudited Six months ended June 30, 2025 HK\$'000	Unaudited Six months ended June 30, 2024 HK\$'000
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The Group's (loss)/profit before income tax is arrived at after charging/(crediting):

Auditor's remuneration	1,310	1,422
Cost of inventories recognised as expenses	214,093	359,320
Employee benefit expenses (include wages and salaries)	32,920	34,138
Loss on disposal of property, plant and equipment	78	782
Depreciation of property, plant and equipment ( <i>Note 7</i> )	27,820	29,695
Depreciation of right-of-use assets	4,613	4,292
Written off of prepayments for property, plant and equipment	2,969	2,981
Provision/(reversal) of impairment loss on trade receivables	3,120	(7,282)
Gain on deregistration of a subsidiary ( <i>Note 14</i> )	(1,087)	–

**14 OTHER GAINS – NET**

	Unaudited Six months ended June 30, 2025 HK\$'000	Unaudited Six months ended June 30, 2024 HK\$'000
Net exchange gains	4,079	1,537
Effect of lease modification	(416)	–
Gain from change in fair value of derivative financial instruments	131	2,924
Gain on deregistration of a subsidiary ( <i>Note 13</i> )	1,087	–
	<u>4,881</u>	<u>4,461</u>

**15 FINANCE INCOME – NET**

	Unaudited Six months ended June 30, 2025 HK\$'000	Unaudited Six months ended June 30, 2024 HK\$'000
Interest income:		
Interest income on bank deposits	<u>4,802</u>	<u>10,343</u>
Finance income	<u>4,802</u>	<u>10,343</u>
Interest expenses:		
Interest expense on lease liabilities	(215)	(76)
Interest expense on borrowings	<u>(2,706)</u>	<u>(5,659)</u>
Finance costs	<u>(2,921)</u>	<u>(5,735)</u>
Finance income – net	<u>1,881</u>	<u>4,608</u>

## 16 INCOME TAX

For the six months ended June 30, 2025, no provision for Hong Kong profits tax has been provided as there is sufficient tax losses to offset with the assessable profits (2024: Same).

The Group's operation in the PRC are subject to the PRC corporate income tax. The standard PRC corporate income tax rate was 25% for the six months ended June 30, 2025 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.

	<b>Unaudited Six months ended June 30, 2025 HK\$'000</b>	Unaudited Six months ended June 30, 2024 HK\$'000
The PRC corporate income tax		
– under-provision in prior years	47	–
Overseas taxation		
– under-provision in prior years	958	–
	<u>1,005</u>	<u>–</u>
Income tax	<u><u>1,005</u></u>	<u><u>–</u></u>

## 17 DIVIDENDS

No dividend has been declared by the Company for the six months ended June 30, 2025 and 2024.

## 18 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### Basic

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

	<b>Unaudited Six months ended June 30, 2025</b>	Unaudited Six months ended June 30, 2024
(Loss)/profit attributable to owners of the Company (HK\$'000)	<u>(26,394)</u>	<u>5,896</u>
Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)	<u>1,199,405</u>	<u>1,199,405</u>
Basic (loss)/earnings per share (HK cents)	<u>(2.20)</u>	<u>0.49</u>

### Diluted

For the six months ended June 30, 2025 and 2024, the computation of diluted (loss)/earnings per share does not assume the exercise of the Company's outstanding share options since their exercise price exceeded average market price during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS

PanAsialum Holdings Company Limited (“**Company**”) and its subsidiaries (collectively, “**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

In the first half of 2025, the Group’s performance was impacted primarily by ongoing geopolitical tensions, evolving trade policies, and a slower than expected economic recovery in certain key markets. These factors collectively affected customer sentiment and order volumes. In addition, muted domestic demand and industry-wide oversupply continued to weigh on the operating environment. As part of our risk management strategy, we proactively tightened credit controls in the domestic market to safeguard asset quality, which, while reducing sales orders in the short term, reinforces our commitment to long-term financial stability.

For the six months ended June 30, 2025 (“**Period**”), the overall sales volume of the Group was approximately 7,351 tonnes, representing a year-on-year decrease of approximately 46.1% compared with that for the corresponding period last year. The Group recorded revenue of approximately HK\$242.8 million for the Period, representing a decrease of approximately 44.0% as compared to the six months ended June 30, 2024 (“**2024 Period**”). The gross profit margin of the Group decreased to approximately 11.8% for the Period (2024 Period: approximately 17.2%). The loss attributable to owners of the Company amounted to approximately HK\$26.4 million for the Period, representing a sharp decrease by approximately 547.5% as compared to that of the 2024 Period.

### Revenue

The following charts show the breakdown of revenue by products for the Period and for the 2024 Period:

	2025		2024	
Solar Panels	158.1	65.1 %	296.1	68.2%
Consumer Electronics	17.7	7.3 %	35.2	8.1%
Electric Vehicles	40.3	16.6 %	44.3	10.2%
Industrial Products	26.7	11.0 %	58.3	13.5%
	<u>242.8</u>	<u>100.0 %</u>	<u>433.9</u>	<u>100.0%</u>

The Group's revenue derived from Solar Panels, Consumer Electronics, Electric Vehicles and Industrial Products for the Period was approximately HK\$158.1 million, HK\$17.7 million, HK\$40.3 million and HK\$26.7 million respectively, accounting for approximately 65.1%, 7.3%, 16.6% and 11.0%, respectively, of the total revenue. Compared with the 2024 Period, these indicate a decrease of approximately 46.6% in Solar Panels, 49.7% in Consumer Electronics, 9.0% in Electric Vehicles and 54.2% in Industrial Products. The decline in overall revenue was mainly attributable to weaker market sentiment and lower order volumes, particularly in the solar panel segment, alongside a general slowdown across other key sectors.

The following charts show the breakdown of revenue by geographical location for the Period and for the 2024 Period:

	2025		2024	
Vietnam	158.5	65.3%	287.5	66.3%
The PRC	68.6	28.3%	92.5	21.3%
Australia	6.9	2.8%	16.5	3.8%
Others	8.8	3.6%	37.4	8.6%
	<u>242.8</u>	<u>100.0%</u>	<u>433.9</u>	<u>100.0%</u>

The Group recorded a decrease in all sectors, representing a decrease of approximately 44.9% in Vietnam, 25.8% in PRC, 58.2% in Australia and 76.5% in others for the Period as compared with the 2024 Period. The decrease in Vietnam was mainly due to reduced sales volume in solar panels, and the decrease in the PRC market was mainly due to the sluggish demand for Consumer Electronics and Industrial Products.

### Cost of sales

With the decrease in sales, cost of sales shrank by 40.4% from approximately HK\$359.3 million for the 2024 Period to approximately HK\$214.1 million for the Period. Such decrease was mainly due to the decrease in sales volume.

### Gross profit and gross profit margin

During the Period, the Group's gross profit amounted to approximately HK\$28.7 million (2024 Period: approximately HK\$74.6 million) and the overall gross profit margin amounted to approximately 11.8% (2024 Period: 17.2%). The decline in gross profit and gross profit margin was primarily attributable to the decreased order volume, which limited cost absorption and led to higher per-unit costs, as well as a change in product mix.



## **Distribution and selling expenses**

Distribution and selling expenses decreased to approximately HK\$8.4 million for the Period (2024 Period: approximately HK\$12.4 million), primarily due to reductions in transportation costs and sales commission. Drops in transportation costs and sales commission were in line with the decrease in sales.

## **Administrative expenses**

Administrative expenses mainly comprise research and development costs, salaries and benefit expenses, government levies, depreciation and amortisation charges, impairment of prepayment and provision for doubtful debts. Administrative expenses decreased to approximately HK\$57.4 million for the Period from approximately HK\$69.7 million for the 2024 Period, which was primarily due to a decrease in research and development costs of approximately HK\$11.6 million as compared to 2024 Period.

## **Other income**

Other income increased from approximately HK\$4.3 million for the 2024 Period to approximately HK\$5.0 million for the Period. The increase was mainly attributable to a claim received from a subcontractor in respect of prior years.

## **Other gains – net**

Other gains increased from approximately HK\$4.5 million for the 2024 Period to approximately HK\$4.9 million for the Period. The primary contributor to the gain recorded during the Period was the exchange gains of approximately HK\$4.0 million during the Period.

During the Period, the Group entered into aluminium future contracts in order to manage its exposure to the price risk of aluminium. The gain from changes in fair value of derivative financial instruments – aluminium future contracts was approximately HK\$0.1 million for the Period compared to approximately HK\$2.9 million for the 2024 Period.

## **Finance income**

Finance income decreased from approximately HK\$10.3 million for the 2024 Period to approximately HK\$4.8 million for the Period. It mainly comprised of interest income earned on bank deposit.

## **Finance costs**

Finance costs amounted to approximately HK\$2.9 million for the Period compared to approximately HK\$5.7 million for the 2024 Period. The decrease in finance costs primarily reflected a lower effective interest rate on borrowings compared with the 2024 Period, and a reduction in average outstanding loan balances.

## **Income tax**

Income tax expenses mainly represented amounts of current tax paid or payable at the applicable tax rates in accordance with the relevant laws and regulations in Australia, Hong Kong and the PRC. During the Period, no provision for profits tax in Hong Kong was made since the Group has sufficient tax losses brought forward to set off against assessable profits for the Period.

Income tax expenses of approximately HK\$1.0 million were recorded for the Period, which is due to the underprovision of profits tax in Australia and corporate income tax in the PRC.

## **PROSPECT**

Looking ahead to the second half of 2025 and beyond, we expect the current market environment, marked by weaker demand in certain sectors, changes in product mix and persistent macroeconomic uncertainties, to continue for a period of time. While these conditions present challenges in the short term, they also create opportunities for well-prepared and agile companies to strengthen their market position.

Over the past several years, the Group has been preparing for such circumstances. We have reinforced our technical and engineering capabilities, carried out internal efficiency revamps, enhanced cost control measures and pursued different avenues for growth. These efforts are improving our resilience and operational flexibility, enabling us to respond quickly to changes in customer demand and industry conditions.

In the coming period, we will continue to leverage our strengthened capabilities to pursue selective growth opportunities both organically and through strategic partnerships, while maintaining a disciplined approach to cost management, resource allocation and credit risk. We will remain prudent in assessing customer creditworthiness and will continue to enforce robust credit control measures to safeguard the Group's financial stability. We will also focus on optimising our product mix, expanding high-value product offerings and exploring untapped market segments where our technical expertise can provide a competitive advantage.

Management remains committed to sustaining long-term profitability and creating value for shareholders. By staying aligned with our strategic objectives, maintaining operational excellence, managing risks carefully and capitalising on opportunities arising from a changing market landscape, we are confident in our ability to achieve sustainable growth and strengthen our leadership position in the industry.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group principally finances its operations through internally generated cash flow and borrowings. As at June 30, 2025, the Group had approximately HK\$169.2 million cash and cash equivalents (as at December 31, 2024: approximately HK\$291.0 million), approximately HK\$7.8 million pledged bank deposits (as at December 31, 2024: approximately HK\$34.8 million) and interest-bearing borrowings of approximately HK\$216.9 million denominated in Renminbi (“**RMB**”) (as at December 31, 2024: approximately HK\$251.6 million denominated in RMB).

## **CHARGES ON ASSET**

As at June 30, 2025, assets with a total carrying amount of approximately HK\$360.0 million (as at December 31, 2024: approximately HK\$305.9 million) of the Group were pledged, including property, plant and equipment, right-of-use assets and bank deposits for the Group’s borrowings.

## **CAPITAL STRUCTURE**

As at June 30, 2025 and December 31, 2024, 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 AND OTHER RISK**

The Group continued to receive United States Dollar and RMB from our sales to major customers during the Period, 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.

## **CAPITAL COMMITMENTS**

Capital commitments contracted by the Group but not yet provided for in the consolidated financial statements as at June 30, 2025 amounted to approximately HK\$20.2 million (as at December 31, 2024: approximately HK\$16.2 million), which was mainly related to the acquisition of machineries.

## **CONTINGENT LIABILITIES**

As at June 30, 2025, the Group had no contingent liabilities (as at December 31, 2024: Nil).

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL**

The Group did not have any significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures during the Period.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Except the future plans as disclosed in the paragraph headed “Prospect”, the Group had no other future plans for material investments or capital assets as at June 30, 2025.

## **EMPLOYEE INFORMATION AND REMUNERATION POLICIES**

As at June 30, 2025, the Group had a total of 615 full-time employees across Mainland China and Hong Kong (as at December 31, 2024: 720). 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 development opportunities according to their needs. During the Period, the Group incurred staff costs (including Directors’ emoluments) of approximately HK\$32.9 million (2024 Period: approximately HK\$34.1 million). The Directors’ remunerations 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, the results of the Group and the prevailing market rates.

## **EVENT AFTER REPORTING PERIOD**

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to June 30, 2025 and up to the date of this announcement.

## **OTHER INFORMATION**

### **INTERIM DIVIDEND**

At the meeting of the Board held on August 25, 2025, the Board did not declare an interim dividend for the Period.

## **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. Neither the Company nor any of its subsidiaries purchased or sold any of the Company’s listed securities during the Period.

## **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 Group has applied the principles and complied with the code provisions of the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Listing Rules 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.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies ("**Model Code**") 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 Period.

## **CHANGES OF DIRECTORS' INFORMATION**

Below are the changes in the information of Directors during the Period and up to the date hereof that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

With effect from July 1, 2025, Mr. Ho Pak Yiu, an executive Director, resigned and Ms. Lam Yuen Man Maria, a non-executive Director, has been appointed as a member of the nomination committee of the Company.

Except as set out hereof, there is no other change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## 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 Dr. Cheung Wah Keung, Mr. Chan Kai Nang and Mr. Man Yiu Kwong Nick.

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 consolidated interim financial statements for the Period and has recommended their adoption to the Board.

## REVIEW OF INTERIM RESULTS

The condensed consolidated financial statements for the Period has not been audited, but has been reviewed by the Audit Committee.

## PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the websites of the Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.palum.com>). The interim report of the Company for the Period 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.

On behalf of the Board of  
**PanAsialum Holdings Company Limited**  
**Pan Zhaolong**  
*Chairman and Executive Director*

Hong Kong, August 25, 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.*