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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)

POSITIVE PROFIT ALERT TURNAROUND FROM LOSS TO PROFIT

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 2023, 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 estimated that the Group will record a profit after taxation for the year of approximately HK\$29.4 million, as compared to the loss after taxation for the year of approximately HK\$104.6 million for the year ended 31 December 2022 (the “**Corresponding Period**”).

Without taking into account the discontinued investment properties operations following completion of the disposal of Changji Zhundong Economic Technology Development District Hongrui Aluminium Co., Ltd.* (“**Changji**”, 昌吉准東經濟技術開發區宏睿鋁業有限公司) on 30 December 2023, the Group is expected to record a profit after taxation for the year from continuing operations of approximately HK\$32.6 million, as compared to the loss after taxation for the year from continuing operations of approximately HK\$51.6 million for the Corresponding Period.

Based on the analysis of the information currently available to management, notwithstanding that the Group had a decrease in total revenue as compared to the Corresponding Period, the turnaround from loss to profit was primarily attributable to (i) the increase of the Group’s

overall gross profit margin as a result of our sustained endeavours in cost containment and enhancements in production efficacy; (ii) a contraction in distribution and selling expenses as a result of an increase in the proportion of sales with less transportation costs; (iii) a marked reduction in administrative expenses mainly due to a diminution in impairment loss, depreciation and salaries and benefit expenses offset by a rise in loss on disposal of fixed assets; (iv) a decrease in finance costs due to decrease in interest expenses subsequent to the strategic repayment of bank loans; (v) non-recurring gain on disposal of subsidiaries, namely Changji and PanAsia Enterprises (Jiangmen) Company Limited* (榮陽實業(江門)有限公司); and (vi) reversal of over-provision of income tax for prior years.

As the Company is still in the process of finalizing the unaudited consolidated final results of the Group for the year ended 31 December 2023, 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 2023, which have not been reviewed or audited by the independent auditors of the Company and/or the audit committee of the Board.

The actual financial results of the Group for the year ended 31 December 2023 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 2023, which is expected to be published in March 2024 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.

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

Hong Kong, 22 February 2024

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

* For identification purposes only