



榮陽實業集團有限公司  
PanAsialum Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2078

2024  
INTERIM REPORT



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## Corporate Information

### DIRECTORS

#### Executive Directors

Mr. Pan Zhaolong  
*(Chairman and Chief Executive Officer)*  
Mr. Ho Pak Yiu

#### Non-executive Director

Ms. Lam Yuen Man Maria *(Appointed on July 1, 2024)*

#### Independent Non-executive Directors

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

### BOARD COMMITTEES

#### Audit Committee

Mr. Man Yiu Kwong Nick *(Chairman)*  
Dr. Cheung Wah Keung  
Mr. Chan Kai Nang

#### Remuneration Committee

Dr. Cheung Wah Keung *(Chairman)*  
Mr. Chan Kai Nang  
Mr. Man Yiu Kwong Nick

#### Nomination Committee

Mr. Man Yiu Kwong Nick *(Chairman)*  
Mr. Pan Zhaolong  
Mr. Ho Pak Yiu  
Dr. Cheung Wah Keung  
Mr. Chan Kai Nang

#### Environmental, Social and Governance Committee

Mr. Pan Zhaolong *(Chairman)*  
Mr. Ho Pak Yiu  
Dr. Cheung Wah Keung  
Mr. Man Yiu Kwong Nick

### AUTHORIZED REPRESENTATIVES

Mr. Pan Zhaolong  
Mr. Ho Pak Yiu

### COMPANY SECRETARY

Mr. Ho Pak Yiu

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### STOCK CODE

2078

### PLACE OF LISTING

The Stock Exchange of Hong Kong Limited  
**(“Exchange”)**

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 01, 26/F, Tower 2  
The Millennium  
98 How Ming Street  
Kwun Tong, Kowloon  
Hong Kong

### PRODUCTION BASES IN PEOPLE’S REPUBLIC OF CHINA (“PRC”)

Long Sheng Industrial Area  
No. 6 Long Sheng Road  
Wolong District  
Nanyang City  
Henan Province  
PRC

### PRINCIPAL SHARE REGISTRAR

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court  
Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen’s Road East  
Wanchai, Hong Kong

## PRINCIPAL BANKERS

Agricultural Bank of China  
China Citic Bank Corporation Limited  
China Construction Bank Corporation  
China Merchants Bank Company Limited,  
Foshan Branch  
The Hongkong and Shanghai Banking Corporation  
Limited

## INDEPENDENT AUDITOR

BDO Limited  
Certified Public Accountants  
Registered Public Interest Entity Auditor

## LEGAL ADVISER

Jeffrey Mak Law Firm

## WEBSITE

[www.palum.com](http://www.palum.com)

## Financial Highlights and Key Financial Ratios

(Unaudited financial data prepared in accordance with Hong Kong Financial Reporting Standards)

	For the six months ended June 30,		
	2024 (Unaudited)	2023 (Unaudited)	Change in %
Revenue	HK\$433.9 million	HK\$479.0 million	(9.4%)
Gross Profit	HK\$74.6 million	HK\$71.2 million	4.8%
Gross Profit Margin <sup>(1)</sup>	17.2%	14.9%	15.4%
Profit for the period from continuing operation	HK\$5.9 million	HK\$1.6 million	275.1%
EBITDA	HK\$35.3 million	HK\$40.0 million	(11.9%)
Earnings per Share from continuing operation (HK cents)	0.49	0.13	
Return on Equity <sup>(2)</sup>	0.82%	0.07%	
Interest Coverage Ratio <sup>(3)</sup>	2.03	0.22	
		<b>As at June 30, 2024 (Unaudited)</b>	<b>As at December 31, 2023 (Audited)</b>
Current Ratio <sup>(4)</sup>		1.22	1.80
Quick Ratio <sup>(5)</sup>		1.12	1.58
Gearing Ratio <sup>(6)</sup>		N/A	N/A
Debt to Equity Ratio <sup>(7)</sup>		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 for the Period 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%.

The board of directors (“**Directors**”) of the Company (“**Board**”) did not declare an interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: Nil).

# Report on Review of Condensed Consolidated Interim Financial Statements



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## To the Board of Directors of PanAsialum Holdings Company Limited

(incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 6 to 25 which comprise the condensed consolidated interim statement of financial position of PanAsialum Holdings Company Limited and its subsidiaries (collectively referred to as the “**Group**”) as at June 30, 2024 and the related condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements, including material accounting policy information (the “**interim condensed consolidated financial statements**”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

## OTHER MATTER

The comparative condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period ended June 30, 2023, and the related notes to the condensed consolidated interim financial statements have not been reviewed in accordance with HKSRE 2410 or audited.

### **BDO Limited**

*Certified Public Accountants*

### **Pak Tak Lun**

Practising Certificate no. P06170

Hong Kong, August 22, 2024

# Condensed Consolidated Interim Statement of Financial Position

As at June 30, 2024

	<i>Notes</i>	<b>Unaudited June 30, 2024 HK\$'000</b>	Audited December 31, 2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	393,879	425,345
Right-of-use assets		226,021	229,058
Prepayments for property, plant and equipment		–	3,002
		<b>619,900</b>	657,405
<b>Current assets</b>			
Inventories		68,838	93,987
Trade receivables	8	160,242	223,119
Prepayments, deposits and other receivables		122,928	146,500
Income tax recoverable		1,606	1,606
Pledged bank deposits		60,195	82,663
Cash and cash equivalents		420,812	226,239
		<b>834,621</b>	774,114
<b>Total assets</b>		<b>1,454,521</b>	1,431,519
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	9	120,000	120,000
Reserves		601,244	601,043
<b>Total equity attributable to owners of the Company</b>		<b>721,244</b>	721,043

Condensed Consolidated Interim Statement of  
Financial Position (*Continued*)

As at June 30, 2024

	<i>Notes</i>	<b>Unaudited June 30, 2024 HK\$'000</b>	Audited December 31, 2023 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		2,196	1,235
Borrowings	11	49,250	65,028
Income tax liabilities	13	–	214,746
		<b>51,446</b>	281,009
<b>Current liabilities</b>			
Trade and bills payables	12	42,882	65,896
Contract liabilities, other payables and accrued charges		100,016	115,284
Borrowings	11	223,137	145,575
Lease liabilities		2,279	1,599
Deferred income on government grants		12,453	12,688
Income tax liabilities	13	301,064	88,425
		<b>681,831</b>	429,467
<b>Total liabilities</b>		<b>733,277</b>	710,476
<b>Total equity and liabilities</b>		<b>1,454,521</b>	1,431,519



# Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended June 30, 2024

PanAsialum Holdings Company Limited

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	Notes	Unaudited Six months ended June 30, 2024 HK\$'000	Unaudited Six months ended June 30, 2023 HK\$'000 (restated)
<b>Continuing operation</b>			
Revenue	6	433,942	478,976
Cost of sales		(359,320)	(407,776)
<b>Gross profit</b>			
		74,622	71,200
Distribution and selling expenses		(12,359)	(13,926)
Administrative expenses		(69,704)	(86,005)
Other income		4,268	31,097
Other gains/(losses) – net	15	4,461	(372)
Finance income/(costs) – net	16	4,608	(7,223)
<b>Profit/(loss) before income tax</b>			
		5,896	(5,229)
Income tax credit	17	–	6,801
<b>Profit for the period attributable to owners of the Company from continuing operation</b>			
		5,896	1,572
<b>Discontinued operation</b>			
<b>Loss for the period attributable to owners of the Company from discontinued operation</b>	18	–	(1,082)
<b>Profit for the period</b>			
		5,896	490
<b>Earnings/(loss) per share attributable to owners of the Company</b>			
Basic and diluted (HK cents per share)			
– Continuing operation	20	0.49	0.13
– Discontinued operation	20	–	(0.09)
		0.49	0.04
<b>Profit for the period</b>			
		5,896	490
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		(5,695)	(31,640)
<i>Items reclassified to profit or loss:</i>			
Exchange differences reclassified to profit or loss upon disposal of a subsidiary		–	953
Other comprehensive income for the period		(5,695)	(30,687)
<b>Total comprehensive income for the period</b>			
		201	(30,197)
<b>Total comprehensive income for the period</b>			
– Continuing operation		201	(29,912)
– Discontinued operation		–	(285)
		201	(30,197)

The notes on pages 11 to 25 are an integral part of this condensed consolidated interim financial information.

# Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended June 30, 2024

	Attributable to owners of the Company						
	Shares held for share						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	award scheme HK\$'000	Share option reserve HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	
<b>Balance at January 1, 2024 (audited)</b>	120,000	1,001,287	(774)	3,178	(71,523)	(331,125)	721,043
Profit for the period	–	–	–	–	–	5,896	5,896
Other comprehensive income:							
Currency translation differences	–	–	–	–	(5,695)	–	(5,695)
Total comprehensive income for the period	–	–	–	–	(5,695)	5,896	201
Transfer upon lapse of share options	–	–	–	(38)	–	38	–
<b>Balance at June 30, 2024 (unaudited)</b>	120,000	1,001,287	(774)	3,140	(77,218)	(325,191)	721,244

	Attributable to owners of the Company						
	Shares held for share						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	award scheme HK\$'000	Share option reserve HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	
<b>Balance at January 1, 2023 (audited)</b>	120,000	1,001,287	(774)	3,694	(48,373)	(359,804)	716,030
Profit for the period	–	–	–	–	–	490	490
Other comprehensive income:							
Currency translation differences	–	–	–	–	(31,640)	–	(31,640)
Reclassification adjustment of foreign operation disposed of	–	–	–	–	953	–	953
Total comprehensive income for the period	–	–	–	–	(30,687)	490	(30,197)
Transfer upon lapse of share options	–	–	–	(223)	–	223	–
<b>Balance at June 30, 2023 (unaudited)</b>	120,000	1,001,287	(774)	3,471	(79,060)	(359,091)	685,833

The notes on pages 11 to 25 are an integral part of this condensed consolidated interim financial information.

## Condensed Consolidated Interim Statement of Cash Flows

For the six months ended June 30, 2024

	Unaudited Six months ended June 30, 2024 HK\$'000	Unaudited Six months ended June 30, 2023 HK\$'000
Net cash generated from operating activities	109,742	198,983
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,490)	(6,866)
Proceeds from sales of property, plant and equipment	349	5,708
Prepayments made for property, plant and equipment	–	(125)
Interest received	10,343	867
Withdrawn in pledged bank deposits	21,951	–
Cash generated from/(used in) investing activities	31,153	(416)
Cash flows from financing activities		
Proceeds from borrowings	197,432	117,937
Repayments of borrowings	(133,992)	(169,810)
Payment for lease liabilities	(1,191)	(2,625)
Interest paid	(5,735)	(8,090)
Net cash generated from/(used in) financing activities	56,514	(62,588)
Net increase in cash and cash equivalents	197,409	135,979
Cash and cash equivalents at beginning of the period	226,239	73,665
Exchange losses on cash and cash equivalents	(2,836)	(11,711)
Cash and cash equivalents at end of the period	420,812	197,933

The notes on pages 11 to 25 are an integral part of this condensed consolidated interim financial information.

# 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 22, 2024.

## 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 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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 2023 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 Hong Kong Financial Reporting Standards (“**HKFRS**”).

The condensed consolidated interim financial statements have not been audited, but have been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the HKICPA. BDO Limited’s independent review report to the Board of Directors is included on page 5.

### 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, 2023, as described in those annual consolidated financial statements.

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

- Amendments to HKAS 1, *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and related amendments to Hong Kong Interpretation 5 (Revised)*
- Amendments to HKAS 7 and HKFRS 7, *Supplier Finance Arrangements*
- Amendments to HKFRS 16, *Lease Liability in a Sale and Leaseback*

The adoption of these amendments to HKFRSs does not have any material financial effect on the Group's condensed consolidated interim financial statements, except Amendments to HKAS 7 and HKFRS 7, *Supplier Finance Arrangements*.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments.

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, 2023.

#### 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\$2,924,000 during the period ended June 30, 2024 (2023: loss from changes in fair value of derivative financial instruments approximately HK\$365,000). As at June 30, 2024, the Group held future contracts which will mature from July to October 2024 (2023: September 2023). Management considers the fluctuation on the commodity price of aluminium does not have a material impact on the Group's earnings and cash flows in the long run.

The outstanding balances of future contracts entered as at June 30, 2024 are approximately HK\$2,810,000, which are measured at fair value and under level 1 of fair value hierarchy.

#### 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, 2023.

## 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.

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 detail as set out in note 18.

Specifically, the Group's reporting segment under HKFRS 8 *Operating Segments* is manufacture and trading of aluminum 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 segment 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 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.

## 6 REVENUE AND SEGMENT INFORMATION (Continued)

### (a) Reportable segment (Continued)

For the six months ended June 30, 2024 (unaudited)

	Continuing operation
	Aluminium products HK\$'000
Reportable segment revenue	433,942
Reportable segment profit before income tax	21,676
Finance costs	(5,667)
Loss on disposal of property, plant and equipment	(782)
Depreciation of property, plant and equipment	
– allocated	(29,070)
– unallocated	(625)
	(29,695)
Depreciation of right-of-use assets	
– allocated	(3,847)
– unallocated	(445)
	(4,292)
Written off of prepayments for property, plant and equipment	(2,981)
Reversal of impairment loss on trade receivables	7,282

**6 REVENUE AND SEGMENT INFORMATION (Continued)**

(a) Reportable segment (Continued)

For the six months ended June 30, 2023 (unaudited)

	Continuing operation
	Aluminium products HK\$'000
Reportable segment revenue	478,976
Reportable segment profit before income tax	10,304
Finance costs	(8,066)
Loss on disposal of property, plant and equipment	
– allocated	(28,006)
– unallocated	130
	(27,876)
Depreciation of property, plant and equipment	
– allocated	(32,467)
– unallocated	(968)
	(33,435)
Depreciation of right-of-use assets	
– allocated	(5,268)
– unallocated	(408)
	(5,676)
Reversal of impairment loss on trade receivables	23,709
Reversal of impairment loss on inventories	1,650
Income tax credit	6,801



## 6 REVENUE AND SEGMENT INFORMATION (Continued)

### (a) Reportable segment (Continued)

**As at June 30, 2024 (unaudited)**

	Aluminium products HK\$'000
Reportable segment assets	1,346,328
Additions to non-current assets	3,684
Reportable segment liabilities	726,471

As at December 31, 2023 (audited)

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

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

	Continuing operation	
	Unaudited Six months ended June 30, 2024 HK\$'000	Unaudited Six months ended June 30, 2023 HK\$'000
<b>Profit/(loss) before income tax</b>		
Reportable segment profit	21,676	10,304
Unallocated finance costs	(68)	(24)
Unallocated corporate expenses	(15,712)	(15,509)
Consolidated profit/(loss) before income tax	5,896	(5,229)

6 REVENUE AND SEGMENT INFORMATION (Continued)

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

	Unaudited June 30, 2024 HK\$'000	Audited December 31, 2023 HK\$'000
<b>Assets</b>		
Reportable segment assets	1,346,328	1,421,812
Unallocated cash and cash equivalent	97,593	1,356
Unallocated corporate assets	10,600	8,351
Consolidated total assets	1,454,521	1,431,519
<b>Liabilities</b>		
Reportable segment liabilities	726,471	702,269
Unallocated corporate liabilities	6,806	8,207
Consolidated total liabilities	733,277	710,476

(c) 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:

	Unaudited Six months ended June 30, 2024 HK\$'000	Unaudited Six months ended June 30, 2023 HK\$'000
The PRC	92,509	151,944
Australia	16,488	14,529
Vietnam	287,550	287,736
Others	37,395	24,767
Total	433,942	478,976
<b>Time of revenue recognition</b>		
At a point in time	433,942	478,976

## 7 PROPERTY, PLANT AND EQUIPMENT

	Unaudited Six months ended June 30, 2024 HK\$'000	Audited Year ended December 31, 2023 HK\$'000
Opening net book amount	425,345	634,661
Exchange differences	(2,130)	(10,789)
Additions	1,490	7,714
Written off	–	(13,286)
Disposal of a subsidiary	–	(94,439)
Disposals	(1,131)	(35,056)
Depreciation (Note 14)	(29,695)	(63,460)
Closing net book amount	<b>393,879</b>	425,345

## 8 TRADE RECEIVABLES

	Unaudited June 30, 2024 HK\$'000	Audited December 31, 2023 HK\$'000
Trade receivables	285,747	355,915
Less: impairment loss recognised	(125,505)	(132,796)
Trade receivables – net	<b>160,242</b>	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 ageing analysis of the trade receivables net of impairment loss recognised, based on due date was as follows:

	Unaudited June 30, 2024 HK\$'000	Audited December 31, 2023 HK\$'000
Current	156,974	202,582
1–30 days	2,622	19,735
31–60 days	600	671
61–90 days	30	96
91–180 days	16	35
	<b>160,242</b>	223,119

As at June 30, 2024, receivables of HK\$156,974,000 were neither past due nor impaired (December 31, 2023: HK\$202,582,000). These receivables relate to customers for whom there is no recent history of default.

As at June 30, 2024, all trade receivables were non-interest bearing (December 31, 2023: Same).

## 9 SHARE CAPITAL

	Unaudited June 30, 2024		Audited December 31, 2023	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorized:				
Ordinary shares of HK\$0.10 each	2,400,000,000	240,000	2,400,000,000	240,000
Issued and fully paid:	1,200,000,000	120,000	1,200,000,000	120,000

As at June 30, 2024 and December 31, 2023, 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

The Company's share option scheme (the "Share Option Scheme") expired on January 18, 2023 and there are no other share options schemes currently in force.

As at January 1, 2024 and June 30, 2024, 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, 2024
				Balance as at January 1, 2024	Granted during the Period	Vested 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>	8,432,000	–	–	–	(280,000)	–	8,152,000
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>				21,632,000	–	–	–	(280,000)	–	21,352,000

## 10 SHARE OPTION SCHEME (Continued)

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.
- The closing price of the shares of the Company immediately before December 23, 2019, on which those options were granted, was HK\$0.38.
  - 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.
  - 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, 2024 HK\$'000	Audited December 31, 2023 HK\$'000
Current		
Bank and other loans	223,137	145,575
Non-current		
Other loans	49,250	65,028
<b>Total</b>	<b>272,387</b>	<b>210,603</b>

As at June 30, 2024, the effective interest rate of the interest-bearing borrowings was 3.17% per annum (December 31, 2023: 4.22% per annum). The Group's bank borrowings carry interest at floating rates and their carrying amounts approximate their fair values.

As at June 30, 2024, the Group's facilities were secured by the following:

- guarantees of the Company and a subsidiary of the Company (December 31, 2023: the Company);
- guarantees of a director of the Company (December 31, 2023: Same);
- pledge of the Group's certain property, plant and equipment and right-of-use assets (December 31, 2023: Same); and
- pledge of the Group's certain bank deposits (December 31, 2023: Same).

## 12 TRADE AND BILLS PAYABLES

As at June 30, 2024 and December 31, 2023, the ageing analysis of the Group's trade and bills payables based on invoice date was as follows:

	Unaudited June 30, 2024 HK\$'000	Audited December 31, 2023 HK\$'000
0–30 days	20,141	18,157
31–60 days	6,295	7,439
61–90 days	6,521	2,225
Over 90 days	9,925	38,075
	<b>42,882</b>	<b>65,896</b>

## 13 INCOME TAX LIABILITIES

	Unaudited June 30, 2024 HK\$'000	Audited December 31, 2023 HK\$'000
Current	301,064	88,425
Non-current	–	214,746
Total	<b>301,064</b>	<b>303,171</b>

On August 13, 2020, 榮陽鋁業(中國)有限公司 (“PACL”), a wholly owned subsidiary of the Company established in the PRC, entered into a land disposal agreement with the Planning and Natural Resources Bureau, the Land Reserve Centre and the Local Office of Zengcheng People's Government to dispose the land in Zengcheng held by the group by way of a public land auction under the Redevelopment Scheme (the “Land Disposal”). The Land Disposal was completed on December 28, 2020 and the compensation amount of the Land Disposal was RMB1,572,652,000 (equivalent to approximately HK\$1,778,816,000).

As at June 30, 2024, included in the current income tax liabilities of approximately HK\$212,945,000 represented the taxable assessable profits arising from the Land Disposal and is expected to be settled within 12 months after the reporting period.

## 14 PROFIT/(LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATION

	Unaudited Six months ended June 30, 2024 HK\$'000	Unaudited Six months ended June 30, 2023 HK\$'000
The Group's profit/(loss) before income tax from continuing operation is arrived at after charging/(crediting):		
Auditor's remuneration		
– current period	1,422	1,559
Cost of inventories recognised as expenses	359,320	407,776
Employee benefit expenses (include wages and salaries)	34,138	39,045
Loss on disposal of property, plant and equipment	782	27,876
Depreciation of property, plant and equipment (Note 7)	29,695	33,435
Depreciation of right-of-use assets	4,292	5,676
Written off of prepayments for property, plant and equipment	2,981	–
Reversal of impairment loss on trade receivables	(7,282)	(23,709)
Reversal of impairment loss on inventories	–	(1,650)
Gain on disposal of a subsidiary (Note)	–	(9,066)

Note: PanAsia Aluminium Limited and PAAL (collectively, the “Vendors”), PanAsia Enterprises (Nanyang) Co., Ltd.\* (榮陽實業(南陽)有限公司) (the “Vendors’ Guarantor”), PanAsia Enterprises (Jiangmen) Co., Ltd.\* (榮陽實業(江門)有限公司) (the “Disposal Company”), certain indirectly wholly-owned subsidiaries of the Company; Jiangmen Jiantai Enterprises Co., Ltd.\* (江門市健泰實業有限公司), (the “Purchaser”) and Jiangmen Zhenyi Enterprises Co., Ltd.\* (江門市鎮怡實業有限公司) (the “Purchaser’s Guarantor”) entered into the sale and purchase agreement (the “Sale and Purchase Agreement”), pursuant to which, amongst others, the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest in the Disposal Company, at the Consideration of approximately RMB34,800,000 (subject to adjustment) (the “Disposal”).

The completion took place on March 24, 2023 and the final adjusted consideration was RMB35,971,000.

Based on the final consideration, the Group recorded a net gain of approximately HK\$9,066,000 as a result of the Disposal.

For details, please refer to the announcements of the Company dated January 9, 2023, January 16, 2023 and March 17, 2023, and the circular of the Company dated March 24, 2023.

## 15 OTHER GAINS/(LOSSES) – NET, FROM CONTINUING OPERATION

	Unaudited Six months ended June 30, 2024 HK\$'000	Unaudited Six months ended June 30, 2023 HK\$'000
Net exchange gains/(losses)	1,537	(7)
Gain/(loss) from change in fair value of derivative financial instruments	2,924	(365)
	4,461	(372)

\* For identification purpose only

## 16 FINANCE INCOME/(COSTS) FROM CONTINUING OPERATION

	<b>Unaudited Six months ended June 30, 2024 HK\$'000</b>	Unaudited Six months ended June 30, 2023 HK\$'000
Interest income:		
Interest income on bank deposits	10,343	867
Finance income	10,343	867
Interest expenses:		
Interest expense on lease liabilities	(76)	(125)
Interest expense on borrowings	(5,659)	(7,965)
Finance costs	(5,735)	(8,090)
Finance income/(costs) – net	4,608	(7,223)

PanAsialum Holdings Company Limited

## 17 INCOME TAX CREDIT FROM CONTINUING OPERATION

For the six months ended June 30, 2024, no provision for Hong Kong profits tax has been provided as there is sufficient tax losses to offset with the assessable profits (2023: Same).

The Group's operation in the PRC are subject to the PRC corporate income tax. During the six months ended June 30, 2024, no provision for PRC corporate income tax has been provided as there is sufficient tax losses to offset with the assessable profits (2023: Same). The standard PRC corporate income tax rate was 25% for the six months ended June 30, 2024 and 2023, 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, 2024 HK\$'000</b>	Unaudited Six months ended June 30, 2023 HK\$'000
Hong Kong profits tax		
– over-provision in prior years	–	659
Overseas taxation		
– over-provision in prior years	–	6,142
Income tax credit	–	6,801

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## 18 DISCONTINUED OPERATION

During the year ended December 31, 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”). JSWR was principally engaged in property holding in the PRC. Upon completion of the disposal on December 30, 2023, the Group no longer engages in investment properties operation and accordingly, the operation was classified as discontinued operation and the comparative figures in the condensed consolidated interim statement of comprehensive income for the six months ended June 30, 2023 have been restated.

The financial performance and cash flow information for the six months ended June 30, 2023 from the discontinued operation is set out below:

	Unaudited Six months ended June 30, 2023 HK\$'000
Administrative expenses	(1,414)
Other income	332
<b>Loss for the period</b>	<b>(1,082)</b>
Cash flows used in operating activities	(11)
Cash flows generated from financing activities	22
<b>Net cash inflows</b>	<b>11</b>

24

## 19 DIVIDENDS

No dividend has been declared by the Company for the six months ended June 30, 2024 and 2023.

## 20 EARNINGS/(LOSS) PER SHARE

### Basic

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

	Unaudited Six months ended June 30, 2024	Unaudited Six months ended June 30, 2023
Profit/(loss) attributable to owners of the Company (HK\$'000)		
Continuing operation	5,896	1,572
Discontinued operation	—	(1,082)
<b>Weighted average number of ordinary shares in issue less shares held for share award scheme (thousands)</b>	<b>1,199,405</b>	1,199,405
Basic earnings/(loss) per share (HK cents)		
Continuing operation	0.49	0.13
Discontinued operation	—	(0.09)

### Diluted

For the six months ended June 30, 2024 and 2023, the computation of diluted earnings/(loss) 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.

## 21 CAPITAL COMMITMENTS

	<b>Unaudited June 30, 2024 HK\$'000</b>	Audited December 31, 2023 HK\$'000
Contracted but not provided for – property, plant and equipment	<b>14,983</b>	16,146

## 22 RELATED PARTY TRANSACTIONS

Related parties refer to entities in which the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or directors or officers of the Company and its subsidiaries.

Save as disclosed elsewhere in the condensed consolidated interim financial statements, the Group had the following related party transactions during the six months ended June 30, 2024 and 2023:

### Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	<b>Unaudited Six months ended June 30, 2024 HK\$'000</b>	Unaudited Six months ended June 30, 2023 HK\$'000
Salaries, bonus and allowances	<b>2,668</b>	2,790
Contributions to defined contribution plans	<b>87</b>	48
	<b>2,755</b>	2,838

## 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.

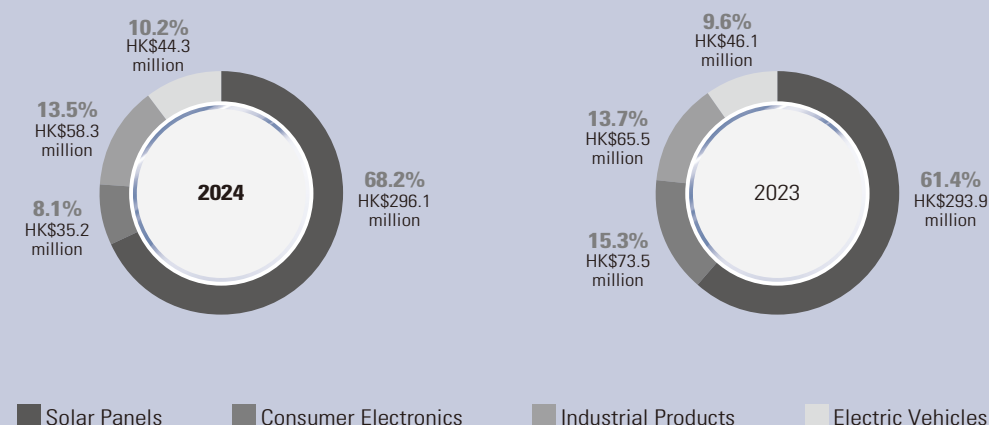
### PERFORMANCE OVERVIEW

In the first half of 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 both gross and net profit margins. We remain confident in our strategic direction and our ability to deliver sustainable value.

For the six months ended June 30, 2024 (“**Period**”), the overall sales volume of the Group was approximately 13,633 tonnes, representing a year-on-year decrease of approximately 14.5% compared with that for the corresponding period last year. The Group recorded revenue of approximately HK\$433.9 million for the Period, representing a decrease of approximately 9.4% as compared to the six months ended June 30, 2023 (“**2023 Period**”). Due to the Group’s continuous effective management of costs and improvement operating efficiency, the gross profit margin of the Group increased to approximately 17.2% for the Period (2023 Period: approximately 14.9%). The profit attributable to owners of the Company amounted to approximately HK\$5.9 million for the Period, representing a sharp increase by approximately 1,103.3% as compared to that of the 2023 Period.

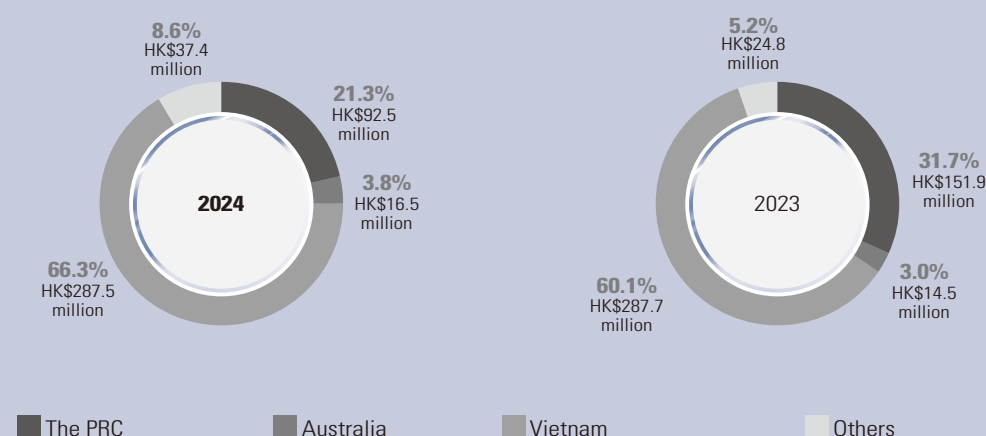
### Revenue

The following charts show the breakdown of revenue by products for the Period and for the 2023 Period:



The Group's revenue derived from Solar Panels, Consumer Electronics, Industrial Products and Electric Vehicles for the Period was approximately HK\$296.1 million, HK\$35.2 million, HK\$58.3 million and HK\$44.3 million respectively, accounting for approximately 68.2%, 8.1%, 13.5% and 10.2%, respectively, of the total revenue. When compared to the 2023 Period, these indicate a decrease of approximately 52.1% in Consumer Electronics, 11.1% in Industrial Products, and 3.9% in Electric Vehicles, while Solar Panels observed an increase of 0.7%. The decline in overall revenue was driven primarily by reduced sales volume in the consumer electronics and industrial products sectors, reflecting the impact of slowing economic growth within the domestic market.

The following charts show the breakdown of revenue by geographical location for the Period and for the 2023 Period:



The Group recorded a decrease in the PRC and Vietnam, representing a decrease of approximately 39.1% and 0.1% for the Period as compared with the 2023 Period. While Australia and other countries observed an increase of approximately 14.8% and 50.1% respectively. 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 11.9% from approximately HK\$407.8 million for the 2023 Period to approximately HK\$359.3 million for the Period. 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 Period, the Group's gross profit amounted to approximately HK\$74.6 million (2023 Period: approximately HK\$71.2 million) and the overall gross profit margin amounted to approximately 17.2% (2023 Period: 14.9%). The increase in gross profit and gross profit margin was primarily driven by the continuous enhancement in operating efficiency of Solar Panels products.

### Distribution and selling expenses

Distribution and selling expenses decreased to approximately HK\$12.4 million for the Period from approximately HK\$13.9 million for the 2023 Period, which was primarily due to decrease 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 reversal of provision for doubtful debts. Administrative expenses decreased to approximately HK\$69.7 million for the Period from approximately HK\$86.0 million for the 2023 Period, which was primarily due to a decrease in impairment of prepayment of approximately HK\$13.1 million as compared to 2023 Period.

## Other income

Other income decreased from approximately HK\$31.1 million for the 2023 Period to approximately HK\$4.3 million for the Period. The decrease was mainly due to decrease in the gain on disposal of a subsidiary of approximately HK\$9.1 million, inventory surplus of approximately HK\$7.1 million, and write back of payables of approximately HK\$5.8 million for the Period.

## Other gains/(losses) – net

Other losses were approximately HK\$0.4 million for the 2023 Period and other gain was approximately HK\$4.5 million for the Period. The primary contributor to the gain recorded during the Period was the gain from changes in fair value of derivative financial instruments of approximately HK\$2.9 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\$2.9 million for the Period compared to the loss from changes in fair value of derivative financial instruments of approximately HK\$0.4 million for the 2023 Period.

## Finance income

Finance income increased from approximately HK\$0.9 million for the 2023 Period to approximately HK\$10.3 million for the Period. It mainly comprised of interest income earned on bank deposit.

## Finance costs

Finance costs amounted to approximately HK\$5.7 million for the Period compared to approximately HK\$8.1 million for the 2023 Period. The decrease in finance costs was primarily attributed to the successful refinancing of higher interest rate bank loans with loans carrying more favorable interest rates during the Period. This strategic debt management resulted in a decrease in interest expenses compared to the 2023 Period.

## 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 Period, no provision for profits tax in Hong Kong and the PRC was made since the Group has sufficient tax losses brought forward to set off against assessable profits for the Period.

No income tax occurred for the Period, compared to the income tax credits of approximately HK\$6.8 million for the 2023 Period, which is due to the over-provision of profits tax in Hong Kong and Australia in previous years.

## PROSPECT

Looking to the second half of 2024, we expect the ongoing market rationalization to create a more stable environment, driving improvements in our earnings across various product segments. However, persistent macroeconomic challenges and global uncertainties may pose risks to this progress. In line with our strategic vision, we are committed to enhancing our operational capabilities and exploring new growth opportunities.

In 2024, we will prioritize establishing a robust global supply assurance capability to ensure seamless delivery and capacity. This initiative aims to address global tensions and regulations, strengthening our position in overseas markets. By mitigating supply chain risks and enhancing our ability to meet international demands, we aim to maintain our competitive edge. We will refine sales processes using data analytics and customer insights, build deeper client relationships, and provide advanced technical solutions. Additionally, we will continuously review our plant and equipment to maximize efficiency. This comprehensive approach aims for sustained revenue growth and market leadership.

The Group remains steadfast in its strategic objectives, continuously pursuing opportunities for growth and profitability. Management will diligently monitor and review the overall operational and financial performance of the Group's business to adapt to the ever-changing business environment. By maintaining alignment with our strategic focus areas and leveraging our past achievements, we are poised to meet our goals for 2024 and beyond. Our unwavering commitment to excellence in high value product, supply chain management, innovation, sales, as well as environment, social and governance responsibilities will drive our sustained growth and success in the industry.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group principally finances its operations through internally generated cash flow and borrowings. As at June 30, 2024, the Group had approximately HK\$420.8 million cash and cash equivalents (as at December 31, 2023: approximately HK\$226.2 million), approximately HK\$60.2 million pledged bank deposits (as at December 31, 2023: approximately HK\$82.7 million) and interest-bearing borrowings of approximately HK\$272.4 million denominated in Renminbi ("**RMB**") (as at December 31, 2023: approximately HK\$210.6 million denominated in RMB).

## CHARGES ON ASSET

As at June 30, 2024, assets with a total carrying amount of approximately HK\$260.2 million (as at 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 borrowings.

## CAPITAL STRUCTURE

As at June 30, 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 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, 2024 amounted to approximately HK\$15.0 million (as at December 31, 2023: approximately HK\$16.1 million), which was mainly related to the acquisition of machineries.

## CONTINGENT LIABILITIES

As at June 30, 2024, the Group had no contingent liabilities (as at December 31, 2023: 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, 2024.

## EMPLOYEE INFORMATION AND REMUNERATION POLICIES

As at June 30, 2024, the Group employed approximately 854 staff (as at December 31, 2023: 842). 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\$34.1 million (2023 Period: approximately HK\$39.0 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, 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, 2024 and up to the date of this report.

## DISCLOSURE UNDER RULES 13.20, 13.21 AND 13.22 OF THE LISTING RULES

The Directors were not aware of any circumstances resulting in the responsibility of disclosure under Rules 13.20, 13.21 and 13.22 of the Listing Rules regarding the provision of advances by the Company to an entity.

## INTERIM DIVIDEND

At the meeting of the Board held on August 22, 2024, the Board did not declare an interim dividend for the Period.

## SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") expired on January 18, 2023 and there are no other share options schemes currently in force.

As at January 1, 2024 and June 30, 2024, 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	Balance as at January 1, 2024	Number of share options					Balance as at June 30, 2024
					Granted during the Period	Vested 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	23/12/2019 – <i>(Note 1)</i> 22/12/2023 <i>(Note 2)</i>	1,200,000	–	–	–	–	–	1,200,000
Mr. Chan Kai Nang	23/12/2019	0.396	23/12/2019 – <i>(Note 1)</i> 22/12/2023 <i>(Note 2)</i>	1,200,000	–	–	–	–	–	1,200,000
<b>Other Participants</b>										
Employees	23/12/2019	0.396	23/12/2019 – <i>(Note 1)</i> 22/12/2023 <i>(Note 2)</i>	8,432,000	–	–	–	(280,000)	–	8,152,000
Service Providers <i>(Note 3)</i>	23/12/2019	0.396	23/12/2019 – <i>(Note 1)</i> 22/12/2023 <i>(Note 2)</i>	10,800,000	–	–	–	–	–	10,800,000
<b>Total</b>				21,632,000	–	–	–	(280,000)	–	21,352,000



*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.

## SHARE AWARD SCHEME

The Company adopted a share award scheme ("**Share Award Scheme**") on March 3, 2014 ("**Adoption Date**"). On March 1, 2024 (the "**Amendment Date**"), the Company has amended the Share Award Scheme by way of adopting the amended and restated Scheme Rules.

### Who may join

Employee(s) are selected by the Board pursuant to the scheme rules for participation in the Share Award Scheme ("**Selected Employee(s)**").

### The purpose and objective of the Share Award Scheme

The purposes of the Share Award Scheme are to recognise the contributions by Selected Employees and to give incentives thereto in order to retain them for the continual operation and development of the Group as part of talent retention program of the Group, and to attract suitable personnel for further development of the Group.

### Operation of the Share Award Scheme

Bank of Communications Trustee Limited has been appointed as the trustee of the Share Award Scheme ("**Trustee**"). Pursuant to the scheme rules and the trust deed entered into with the Trustee, the Trustee shall purchase from the market or subscribe for the relevant number of shares awarded out of the Company's resources and shall transfer the relevant shares of the Company to that Selected Employee at no cost in accordance with the scheme rules.

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Amendment Date and ending on the tenth (10th) anniversary of the Amendment Date.

## Movement and position

The number of awards that are available for grant under the scheme limit (i.e. 60,000,000 shares) as at the beginning of the Period was 54,619,000 shares and as at the end of the Period was 54,619,000 shares, representing approximately 4.6% of the weighted average number of the shares in issue for the six months ended June 30, 2024 (i.e. 1,200,000,000 shares).

As at the beginning and end of the Period and as at the date of this report, there was no Awarded Shares outstanding under the Share Award Scheme.

No award was granted under the Share Award Scheme during the Period. No award was vested, cancelled or lapsed under the Share Award Scheme during the Period.

## INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2024, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required, pursuant to Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules (“Model Code”), are as follows:

### Long Position in the Shares

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Number of ordinary shares</b>	<b>Number of underlying shares held pursuant to share options (Note 1)</b>	<b>Percentage of the issued share capital of the Company (Note 3)</b>
Mr. Pan Zhaolong	Other (Note 2)	900,000,000	–	75%
Dr. Cheung Wah Keung	Beneficial owner	–	1,200,000	0.10%
Mr. Chan Kai Nang	Beneficial owner	–	1,200,000	0.10%

*Notes:*

- Details of share options held by Directors are set out in the section headed “Share Option Scheme”.
- Easy Star Holdings Limited is the registered holder of the 900,000,000 shares of the Company. Easy Star Holdings Limited is wholly-owned by Marina Star Limited. The entire issued share capital of Marina Star Limited was owned by Genesis Trust & Corporate Services Ltd. as trustee for The Pan Family Trust, a discretionary trust under which Mr. Pan Zhaolong, the Chairman, executive Director and chief executive officer of the Company, is a nominated beneficiary.
- The percentage represents the number of shares of the Company interested divided by the number of the issued shares of the Company as at June 30, 2024 (i.e. 1,200,000,000 shares).

Save as disclosed above, as at June 30, 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the headings "Share Option Scheme" and "Share Award Scheme", at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at June 30, 2024, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

### Long Position in the Share

Name	Capacity	Number of Shares	Approximate Percentage of Shareholding
Easy Star Holdings Limited (" <b>Easy Star</b> ") <sup>(Note)</sup>	Beneficial owner	900,000,000	75%
Marina Star Limited <sup>(Note)</sup>	Interest in controlled corporation	900,000,000	75%
Genesis Trust & Corporate Services Ltd. <sup>(Note)</sup>	Trustee	900,000,000	75%

*Note:* Easy Star was the registered holder of the 900,000,000 shares. Easy Star was wholly-owned by Marina Star Limited. The entire issued share capital of Marina Star Limited was owned by Genesis Trust & Corporate Services Ltd. as trustee for The Pan Family Trust. The Pan Family Trust was a discretionary trust. Mr. Pan Zhaolong, the Chairman, executive Director and chief executive officer of the Company, is a nominated beneficiary under The Pan Family Trust.

Save as disclosed above, as at June 30, 2024, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any other substantial Shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## 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 set out in Appendix C3 to the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. The Company, having made specific enquiry, all Directors confirmed that they had complied with the Model Code provisions during 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.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained a sufficient public float as required under the Listing Rules as at the date hereof.

## 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.

Other  
Information  
*(Continued)*

## REVIEW OF INTERIM RESULTS

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

By order of the Board

**Pan Zhaolong**  
*Chairman and Executive Director*

Hong Kong, August 22, 2024