



**WHITE
FLOWER®**

PAK FAH YEOW INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 239



2022
INTERIM REPORT





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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Gan Wee Sean (*Chairman and
Chief Executive Officer*) (R)

Gan Fock Wai, Stephen (R)

Gan Cheng Hooi, Gavin

Non-executive Director

Gan Fook Yin, Anita

Independent Non-executive Directors

Leung Man Chiu, Lawrence

(*chairing A, chairing R and chairing N*)

Wong Ying Kay, Ada (A, R and N)

Ip Tin Chee, Arnold (A, R and N)

COMPANY SECRETARY

Lo Tai On

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor, 200 Gloucester Road

Wanchai

Hong Kong

AUDITOR

Mazars CPA Limited

42nd Floor, Central Plaza

18 Harbour Road

Wanchai

Hong Kong

SOLICITOR

Woo, Kwan, Lee & Lo

26th Floor, Jardine House

1 Connaught Place

Central

Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Corporate Services (Bermuda)
Limited

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HONG KONG SHARE REGISTRAR

Tricor Standard Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

STOCK CODE

239

HOME PAGE

<http://www.pakfahyeow.com>

EMAIL

pfy@pfy.com.hk

TELEPHONE

(852) 2881 7713

(A) Audit Committee member

(R) Remuneration Committee member

(N) Nomination Committee member

HIGHLIGHTS

- Revenue down 0.7% year-on-year.
- Underlying recurring profit, the performance indicator of the Group, down 37.7% year-on-year.
- Reported loss, arising from unrealised fair value loss on investment properties, was recorded in 2022.
- The Group's fundamentals are strong and remains confident of its ability to mitigate effects of disruptions ahead.

Results Summary

	Notes	Six months ended 30 June		
		2022 HK\$'000	2021 HK\$'000	Change
Revenue	1	56,202	56,606	-0.7%
Reported (loss) profit	2	(2,207)	10,282	n/m
Underlying recurring profit	3	7,779	12,496	-37.7%
		<i>HK cents</i>	<i>HK cents</i>	
(Loss) Earnings per share:	4			
Reported (loss) profit		(0.7)	3.3	n/m
Underlying recurring profit		2.5	4.0	-37.5%
Total dividends per share	4	2.3	2.8	-17.9%
		At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000	
Shareholders' funds	5	677,852	707,722	-4.2%
		HK\$	HK\$	
Net asset value per share	6	2.18	2.27	-4.0%

n/m: not meaningful

- Notes:*
1. Revenue represents revenue derived from the three business segments, namely healthcare (“Healthcare”), property investments (“Property Investments”) and treasury investments (“Treasury Investments”).
 2. Reported (loss) profit (“Reported (Loss) Profit”) is the profit or loss attributable to owners of the Company, which is prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.
 3. Underlying recurring profit (“Underlying Recurring Profit”) reflects the Group’s performance of the three business segments and is arrived at by excluding from Reported (Loss) Profit the unrealised fair value changes of financial assets at fair value through profit or loss and of investment properties.
 4. The basic and diluted earnings or loss per share and the total dividends per share are calculated using the ordinary shares in issue during the period.
 5. Shareholders’ funds are the equity attributable to owners of the Company, which is equivalent to the total equity as presented in the Company’s consolidated statement of financial position.
 6. Net asset value per share represents shareholders’ funds divided by the number of ordinary shares of the Company in issue as at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Results Overview

In the first half of 2022, the global economic recovery remained uncertain and the world had felt the effects of slower growth and faster inflation. Geopolitical tensions, inbound quarantine and reduce gatherings measures continued to affect Hong Kong. During this period, the Group adhered to its core business development despite the business was facing unprecedented challenges in the current environment.

The Group recorded total revenue of HK\$56,202,000 for the six months ended 30 June 2022, a slight decline of 0.7% from HK\$56,606,000 for the same corresponding period in 2021. Revenue of each business segment is as follows:

	Six months ended 30 June		Change %
	2022 HK\$'000	2021 HK\$'000	
Healthcare	53,055	53,399	-0.6
Property Investments	3,118	3,180	-1.9
Treasury Investments	29	27	+7.4
	56,202	56,606	-0.7

Underlying Recurring Profit, which excludes from Reported (Loss) Profit the unrealised fair value changes of financial assets and of investment properties, was HK\$7,779,000, down 37.7% from HK\$12,496,000 year-on-year. This mainly reflected increased advertising and promotional expenses for Healthcare business and additional property expenses due to building renovation and maintenance works. Earnings per share of Underlying Recurring Profit was HK2.5 cents as compared to HK4.0 cents for 2021.

Reported (Loss) Profit for the six months ended 30 June 2022 was a loss of HK\$2,207,000 (2021: a profit of HK\$10,282,000), primarily due to unrealised fair value loss on the Group's investment properties of HK\$7,101,000 (2021: HK\$3,458,000) and on the Group's listed investments of HK\$2,885,000 (2021: gain of HK\$1,244,000). Loss per share of Reported (Loss) Profit was HK0.7 cent as compared to earnings per share of HK3.3 cents for 2021.

Below is the reconciliation between Underlying Recurring Profit and Reported (Loss) Profit:

	Six months ended 30 June		Change %
	2022 HK\$'000	2021 HK\$'000	
Underlying Recurring Profit	7,779	12,496	-37.7
Unrealised fair value changes of:			
Financial assets	(2,885)	1,244	
Investment properties:			
United Kingdom	(4,101)	(10,758)	
Hong Kong and Singapore	(3,000)	7,300	
Reported (Loss) Profit	(2,207)	10,282	n/m

n/m: not meaningful

The revaluation of other properties, which is accounted for as other comprehensive (loss) income, has resulted in a net revaluation loss for the period of HK\$3,115,000 (2021: gain of HK\$14,732,000).

Total comprehensive loss attributable to owners for the six months ended 30 June 2022 was approximately HK\$12,418,000 (2021: income of HK\$26,279,000).

OPERATIONS REVIEW

Healthcare

Revenue from Healthcare segment slightly declined by 0.6% to HK\$53,055,000 (2021: HK\$53,399,000). Segment profit declined by 12.7% to HK\$18,571,000 (2021: HK\$21,276,000) mainly attributable to increased advertising and promotional expenses which is in line with the sales and marketing plan in 2022 and additional property expenses for building renovation and maintenance works for the Group's self-use properties in Hong Kong. Revenue of each geographical segment is as follows:

	Six months ended 30 June		Change %
	2022 HK\$'000	2021 HK\$'000	
China	35,685	38,549	-7.4
Southeast Asia	12,297	12,222	+0.6
North America	4,623	2,325	+98.8
Others	450	303	+48.5
Segment revenue	53,055	53,399	-0.6
Segment result – profit	18,571	21,276	-12.7

China market saw a decrease in sales year-on-year mainly due to citywide lockdowns in several cities in the mainland. The lockdowns had continued to restrict movements of people, affecting logistical operations and therefore had affected sales revenue in this market. Advertising and branding efforts had continued via online platforms throughout the first half of 2022 to ensure that consumers continued to remember and recall the brand thus strengthening brand awareness in the market.

Sales turnover in Southeast Asia continued to remain stable with modest growth as markets began to open up again. With a majority of cities in this region easing most, if not all restrictions, consumer sentiment and confidence had improved compared to a year earlier and therefore sales in this segment would continue to improve.

North America market had continued to see tremendous growth contributed mainly from the USA. The distributor had mainly focused their advertising efforts on the Asian community market through more traditional advertising channels in the first quarter of 2022 when the pandemic was less severe around that time of year. Unfortunately, the Omicron variant had disrupted this momentum temporarily in the second quarter due to rising cases in the country. However, more advertising campaigns will be rolled out in the second half of the year to capture new market segments and to continue to refine the retail sales channels to leverage on the growth momentum in the market.

Property Investments

Revenue for this segment slightly declined by 1.9% to HK\$3,118,000 (2021: HK\$3,180,000). This change mainly represents a decrease in the United Kingdom rental income as a result of an overprovision adjustment made in 2022 for a turnover rent recognised in previous year. The decrease in average exchange rate in translating Pound Sterling to Hong Kong Dollar (ie. the reporting currency) also caused such decline. Revenue of each geographical segment is as follows:

	Six months ended 30 June		
	2022 HK\$'000	2021 HK\$'000	Change %
Hong Kong – office and residential	1,810	1,737	+4.2
Singapore – industrial	111	113	-1.8
United Kingdom – retail/residential	1,197	1,330	-10.0
Segment revenue	3,118	3,180	-1.9
Segment result – loss	(5,172)	(1,005)	n/m

n/m: not meaningful

For the six months ended 30 June 2022, segment revenue of about 58.0%, 3.6% and 38.4% (2021: 54.6%, 3.6% and 41.8%) were derived from investment properties in Hong Kong, Singapore and the United Kingdom respectively, and their occupancy rates were 100%, 100% and 68.8% (2021: 100.0%, 100.0% and 68.8%) respectively.

Underlying Recurring Segment Result, which excludes from the segment result the unrealised fair value changes of financial assets and of investment properties, was a profit of HK\$1,929,000, down 21.4% from HK\$2,453,000 in 2021. Property expenses ratio as a percentage of segment revenue increased to 38.1% (2021: 22.9%) for the period. Both Underlying Recurring Segment Result and the property expenses ratio for 2022 reflected additional property expenses such as building renovation and maintenance works and related costs for the Group's investment properties in Hong Kong and the United Kingdom.

Segment result for the six months ended 30 June 2022 was a loss of HK\$5,172,000 (2021: HK\$1,005,000), principally reflecting a bigger unrealised fair value loss of investment properties as compared to the same period in 2021.

Below is the reconciliation between Underlying Recurring Segment Result and the segment result:

	Six months ended 30 June		Change %
	2022 HK\$'000	2021 HK\$'000	
Underlying Recurring Segment Result	1,929	2,453	-21.4
Unrealised fair value changes of investment properties:			
United Kingdom	(4,101)	(10,758)	
Hong Kong and Singapore	(3,000)	7,300	
Segment result – loss	(5,172)	(1,005)	n/m

n/m: not meaningful

Treasury Investments

Other than placing deposits in renowned banks, the Group also invested in equity and debt securities, mutual funds and dual currency investments for higher yields.

Revenue (mainly interest income) derived from this segment increased by 7.4% to HK\$29,000 (2021: HK\$27,000). Underlying Recurring Segment Result was a loss of HK\$1,225,000 (2021: HK\$385,000). Such change reflected weak performance on foreign currency transactions during the period.

The segment result decreased to a loss of HK\$4,110,000 (2021: profit of HK\$859,000), mainly attributable to, amongst others as mentioned above, unrealised fair value loss on listed investments.

Below is the reconciliation between Underlying Recurring Segment Result and the segment result:

	Six months ended 30 June		Change %
	2022 HK\$'000	2021 HK\$'000	
Underlying Recurring Segment Result	(1,225)	(385)	n/m
Unrealised fair value changes of financial assets	(2,885)	1,244	
Segment result – (loss) profit	(4,110)	859	n/m

n/m: not meaningful

FINANCIAL REVIEW

The results overview and operations review in preceding sections also cover financial review of the Group's three business segments. This section discusses other significant financial items.

Staff Costs

Staff costs are categorised into production (production-related payroll costs) and administration (other payroll costs, including management and head office staff), which slightly increased by 0.9% from HK\$17,013,000 to HK\$17,158,000. The overall costs were generally maintained at the same level comparing the two periods despite adjustment for salary increment in 2022.

Other Operating Expenses

Other operating expenses increased by 50.3% to HK\$13,166,000 (2021: HK\$8,762,000), mainly attributable to overall increase in advertising and promotional expenses for the period. The sales and marketing budget in the first half of 2021 was substantially reduced due to the then market condition. Other operating expenses ratio as a percentage of total revenue increased to 23.4% (2021: 15.5%) for the period. This reflected higher proportional expenses due to more sales and marketing activities during the period and additional property expenses as mentioned in Healthcare and Property Investments sections above as compared to the same period in 2021.

Finance Costs

Finance costs increased by 7.8% to HK\$457,000 (2021: HK\$424,000), mainly due to increase in interest rate for a Pound Sterling loan during the period, despite lower bank loan balance throughout the first half of 2022 after the loan being partly repaid. Interest coverage ratio (profit from operations before interest and taxes and before unrealised fair value changes of financial assets and of investment properties divided by finance costs) decreased to 24.5 (2021: 38.9) for the period.

Taxation

Decrease in taxation from HK\$3,583,000 to HK\$2,939,000 was principally due to overall decrease in taxable operating profits of subsidiaries. The effect was partly offset by reversal of temporary difference of tax allowance.

Investment Properties

The Group's investment properties in Hong Kong and the United Kingdom were valued at 30 June 2022 by an independent professional valuer on a fair value basis. No revaluation was made for the Group's investment properties in Singapore as its fair value change was considered insignificant for the period. The valuation as at 30 June 2022 was HK\$266,482,000, a decline of 6.7% from HK\$285,624,000 as at 31 December 2021. Such decrease reflected the weakened global economy which impacted both the retail and office sectors. The valuation of the Group's investment properties in each geographical segment as at the balance sheet date is as follows.

	As at 30 June 2022		As at 31 December 2021		Change in HK\$ %
	Original currency		Original currency		
	'000	HK\$'000	'000	HK\$'000	
Hong Kong – office and residential	HK\$146,100	146,100	HK\$149,100	149,100	-2.0
Singapore – industrial	S\$1,950	11,247	S\$1,950	11,247	-
United Kingdom – retail/residential	GBP11,500	109,135	GBP11,900	125,277	-12.9
		<u>266,482</u>		<u>285,624</u>	-6.7

Unrealised fair value loss on investment properties of HK\$7,101,000 (2021: HK\$3,458,000) was recognised for the period.

FINANCIAL RESOURCES AND TREASURY POLICIES

The Group continues to adhere to prudent treasury policies. Gearing ratio (interest-bearing borrowings divided by total shareholders' funds) as at 30 June 2022 was 2.1% (*31 December 2021: 2.3%*). Total bank borrowings of the Group amounted to HK\$13,903,000 (*31 December 2021: HK\$16,212,000*), mainly denominated in Pound Sterling with floating interest rates.

Current ratio (current assets divided by current liabilities) was 4.2 times as at 30 June 2022 (*31 December 2021: 6.5 times*). The Group holds sufficient cash and marketable securities on hand to meet its short-term liabilities, commitments and working capital demand.

EXCHANGE RATE EXPOSURES

Most of the Group's business transactions were conducted in Hong Kong Dollars and United States Dollars. Certain rental income is derived in the United Kingdom and denominated in Pound Sterling. As at 30 June 2022, the Group's debt borrowing was mainly denominated in Pound Sterling. The Group also had equity and debt securities and dual currency investments denominated in foreign currencies.

The Group considers there is no significant exposure to foreign exchange fluctuations for United States Dollars as long as the Hong Kong-United States dollar exchange rate remains pegged. Other than United States Dollars whose exchange rate with Hong Kong Dollars remained relatively stable during the period, the Group's foreign exchange exposure relating to investments in overseas securities and bank balances as at 30 June 2022 were approximately HK\$41.1 million (*31 December 2021: HK\$44.1 million*) in total, or about 4.9% (*31 December 2021: 5.3%*) of the Group's total assets. The Group was also exposed to foreign exchange rate changes (net of the underlying debt borrowings) of approximately HK\$95.2 million (*31 December 2021: HK\$109.1 million*) relating to carrying amount of the investment properties in the United Kingdom.

PLEDGE OF ASSETS

As at 30 June 2022, the Group's investment properties with an aggregate carrying value of approximately HK\$109.1 million (*31 December 2021: HK\$125.3 million*) were pledged to secure banking facilities granted to the Group to the extent of approximately HK\$61.0 million (*31 December 2021: HK\$63.4 million*), of which approximately HK\$13.9 million (*31 December 2021: HK\$16.2 million*) were utilised as at 30 June 2022.

CONTINGENT LIABILITIES

As at 30 June 2022, no legal proceedings were initiated by any third parties against the Group as defendant, nor were there any outstanding claims which may result in significant financial losses to the Group.

PLAN FOR SIGNIFICANT INVESTMENT OR ACQUISITION OF CAPITAL ASSETS IN THE FUTURE

The Group has no plan for significant investment or acquisition of material capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group had a total of 89 (*31 December 2021: 87*) employees. Remuneration packages of employees and directors are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments, the Group also provides other employment benefits including medical allowance and educational subsidies to eligible employees.

OUTLOOK

Against an already turbulent backdrop of global inflationary pressures and disrupted supply chains following the coronavirus pandemic, the economic fallout from the Ukraine conflict has been exacerbating supply and demand tensions, damaging consumer sentiment and affecting business environment of all industries. As economic tension from the Ukraine conflict has impact on glass bottle supply, glass manufacturing in Europe might have to stop due to gas shortage and rising cost of fuel. Extreme weather including drought in China and Europe might affect harvest of some raw materials which being used for the Group's production. The overall operating environment and the underlying costs would inevitably be adjusted and the Group will closely monitor and respond to the market development. Budget control over advertising and promotional expenses for the second half of the year will be closely monitored.

Following the successful registration of Hoe Hin Strain Relief in Mainland China, the Group has launched it in the second half of the year. In addition, Hoe Hin White Flower Ointment is expected to be launched in Mainland China soon. These products will further complement our flagship product Hoe Hin White Flower Embrocation and strengthen and support our Hoe Hin brand in Mainland China. The Group's fundamentals are strong and remains confident of its ability to mitigate effects of disruptions ahead.

By Order of the Board
Pak Fah Yeow International Limited
Gan Wee Sean
Chairman

Hong Kong, 31 August 2022

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

mazars

Mazars CPA Limited
中審眾環(香港)會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話: (852) 2909 5555
Fax 傳真: (852) 2810 0032
Email 電郵: info@mazars.hk
Website 網站: www.mazars.hk

To the board of directors

Pak Fah Yeow International Limited

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed interim financial information of Pak Fah Yeow International Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 16 to 37, which comprises the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. 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 “HKICPA”). The directors of the Company are responsible for the preparation and presentation of this condensed interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this condensed interim financial information based on our review and to report our conclusion 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 HKICPA. 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 interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 31 August 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Revenue	3	56,202	56,606
Other revenue	4	72	166
Other net income	5	706	175
Changes in inventories of finished goods		3,509	3,024
Raw materials and consumables used		(12,765)	(13,698)
Staff costs		(17,158)	(17,013)
Depreciation expenses		(3,758)	(3,617)
Net exchange loss		(2,467)	(378)
Other operating expenses		(13,166)	(8,762)
Profit from operations before fair value changes of financial assets through profit or loss and of investment properties		11,175	16,503
Net (loss) gain on changes in fair value of financial assets at fair value through profit or loss		(2,885)	1,244
Revaluation deficit in respect of investment properties		(7,101)	(3,458)
Profit from operations		1,189	14,289
Finance costs	6	(457)	(424)
Profit before taxation	6	732	13,865
Taxation	7	(2,939)	(3,583)
(Loss) Profit for the period, attributable to owners of the Company		(2,207)	10,282

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Six months ended 30 June 2022

		Six months ended 30 June	
		2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Notes			
	Other comprehensive (loss) income		
	<i>Items that may be reclassified subsequently to profit or loss:</i>		
	Exchange difference arising from translation of financial statements of overseas subsidiaries	(7,379)	1,364
	Exchange difference arising from translation of inter-company balances with overseas subsidiaries representing net investments	283	(99)
	<i>Item that will not be reclassified to profit or loss:</i>		
	Revaluation (deficit) surplus of leasehold land and buildings, net of tax effect of HK\$616,000 (2021: HK\$2,911,000)	(3,115)	14,732
	Other comprehensive (loss) income for the period, net of tax, attributable to owners of the Company	(10,211)	15,997
	Total comprehensive (loss) income for the period, attributable to owners of the Company	(12,418)	26,279
	(Loss) Earnings per share		
	Basic and diluted	9 (0.7 cent)	3.3 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	<i>Notes</i>	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Non-current assets			
Investment properties	10	266,482	285,624
Property, plant and equipment	10	329,694	337,115
Intangible assets		2,450	2,450
Financial assets at fair value through profit or loss	12	5,058	5,107
Deferred tax assets		1,090	1,014
		604,774	631,310
Current assets			
Inventories		21,272	15,142
Trade and other receivables	11	16,638	13,007
Financial assets at fair value through profit or loss	12	9,546	13,621
Tax recoverable		9	9
Bank balances and cash		171,240	164,660
		218,705	206,439
Current liabilities			
Bank borrowings, secured	13	13,903	16,212
Current portion of deferred income		232	281
Trade and other payables	14	12,639	10,924
Tax payables		6,511	3,572
Dividends payable		18,217	782
		51,502	31,771
Net current assets		167,203	174,668
Total assets less current liabilities		771,977	805,978

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2022

	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Notes		
Non-current liabilities		
Long-term portion of consideration payable for acquisition of trademarks	2,073	2,073
Long-term portion of deferred income	34,904	38,836
Provision for directors' retirement benefits	6,606	6,146
Deferred tax liabilities	50,542	51,201
	94,125	98,256
NET ASSETS	677,852	707,722
Capital and reserves		
Share capital	15,582	15,582
Share premium and reserves	662,270	692,140
	677,852	707,722
TOTAL EQUITY	677,852	707,722

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2022

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Properties revaluation reserve HK\$'000	Exchange reserve HK\$'000	Proposed dividends HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	
At 1 January 2021	15,582	21,997	229,162	(30,649)	11,842	425,258	657,610	673,192
Profit for the period	-	-	-	-	-	10,282	10,282	10,282
Other comprehensive income	-	-	14,732	1,265	-	-	15,997	15,997
Total comprehensive income attributable to owners of the Company	-	-	14,732	1,265	-	10,282	26,279	26,279
Transfer	-	-	(2,120)	-	-	2,120	-	-
Transactions with owners:								
<i>Distributions to owners</i>								
Interim dividends declared (<i>note 8</i>)	-	-	-	-	8,726	(8,726)	-	-
2020 final dividend transferred to dividend payable	-	-	-	-	(11,842)	-	(11,842)	(11,842)
Total transactions with owners	-	-	-	-	(3,116)	(8,726)	(11,842)	(11,842)
At 30 June 2021	15,582	21,997	241,774	(29,384)	8,726	428,934	672,047	687,629
At 1 January 2022	15,582	21,997	242,278	(31,093)	17,452	441,506	692,140	707,722
Loss for the period	-	-	-	-	-	(2,207)	(2,207)	(2,207)
Other comprehensive loss	-	-	(3,115)	(7,096)	-	-	(10,211)	(10,211)
Total comprehensive income attributable to owners of the Company	-	-	(3,115)	(7,096)	-	(2,207)	(12,418)	(12,418)
Transfer	-	-	(2,308)	-	-	2,308	-	-
Transactions with owners:								
<i>Distributions to owners</i>								
Interim dividends declared (<i>note 8</i>)	-	-	-	-	7,168	(7,168)	-	-
2021 final and special dividend transferred to dividend payable	-	-	-	-	(17,452)	-	(17,452)	(17,452)
Total transactions with owners	-	-	-	-	(10,284)	(7,168)	(17,452)	(17,452)
At 30 June 2022	15,582	21,997	236,855	(38,189)	7,168	434,439	662,270	677,852

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2022

	Six months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
OPERATING ACTIVITIES		
Cash generated from operations	8,884	37,656
Interest received	29	27
Interest paid	(177)	(144)
Income taxes paid	(51)	(28)
Net cash generated from operating activities	8,685	37,511
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(69)	(736)
Sales proceed from disposal of property, plant and equipment	-	211
Net cash used in investing activities	(69)	(525)
FINANCING ACTIVITIES		
Payments of consideration payable for acquisition of trademark	(280)	(280)
Net movement in bank borrowings, secured	(711)	(806)
Dividends paid	(17)	(18)
Net cash used in financing activities	(1,008)	(1,104)
Net increase in cash and cash equivalents	7,608	35,882
Cash and cash equivalents at beginning of the reporting period	164,660	117,303
Effect of foreign exchange rate changes	(1,028)	136
Cash and cash equivalents at end of the reporting period	171,240	153,321
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	150,321	122,046
Time deposits	20,919	31,275
	171,240	153,321

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Six months ended 30 June 2022

1. BASIS OF PREPARATION

The unaudited condensed interim financial information of Pak Fah Yeow International Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended 30 June 2022 (the “Interim Financial Information”) has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Main Board Listing Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements and should be read, where relevant, in conjunction with the Group’s annual financial statements for the year ended 31 December 2021 (“2021 Annual Financial Statements”).

The Interim Financial Information is unaudited, but has been reviewed by the Company’s Audit Committee.

2. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Information has been prepared under the historical cost convention except for investment properties, leasehold land and buildings and financial assets at fair value through profit or loss, which are measured at fair value.

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those used in the preparation of the 2021 Annual Financial Statements, except for the adoption of following new/revised HKFRSs that are effective for the Group’s financial year beginning on 1 January 2022.

Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs	2018–2020 Cycle

The adoption of these amendments to HKFRSs does not have any significant impacts on the condensed consolidated interim financial statements of the Group.

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2022. The directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group's results and financial position.

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker – the executive directors for making strategic decisions and resources allocation. The Group's operating segments are structured and managed separately according to the nature of their businesses. The Group is currently organised into three operating businesses as follows:

- (a) Healthcare – manufacture and sale of Hoe Hin products
- (b) Property investments
- (c) Treasury investments

Each of the Group's operating segments represents a strategic business unit subject to risks and returns that are different from those of the other operating segments.

For the purposes of assessing the performance of the operating segments between segments, the executive directors assess segment profit or loss before income tax without allocation of finance costs, directors' emoluments, office staff salaries, legal and professional fees and central administrative costs and the basis of preparing such information is consistent with that of the consolidated financial statements. All assets are allocated to reportable segments other than deferred tax assets, tax recoverable and other corporate assets. All liabilities are allocated to reportable segments other than deferred tax liabilities, provision for directors' retirement benefits, tax payable, dividends payable and other corporate liabilities.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Business segments

	Six months ended 30 June 2022			
	Healthcare	Property	Treasury	Consolidated
	(unaudited)	investments	investments	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	53,055	3,118	29	56,202
Segment results	18,571	(5,172)	(4,110)	9,289
Unallocated corporate expenses				(8,100)
Profit from operations				1,189
Finance costs				(457)
Profit before taxation				732
Taxation				(2,939)
Loss for the period				(2,207)

	Six months ended 30 June 2021			
	Healthcare	Property	Treasury	Consolidated
	(unaudited)	investments	investments	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	53,399	3,180	27	56,606
Segment results	21,276	(1,005)	859	21,130
Unallocated corporate expenses				(6,841)
Profit from operations				14,289
Finance costs				(424)
Profit before taxation				13,865
Taxation				(3,583)
Profit for the period				10,282

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following table presents segment assets and liabilities of the Group's business segments as at 30 June 2022 and 31 December 2021:

	At 30 June 2022			
	Healthcare (unaudited) HK\$'000	Property investments (unaudited) HK\$'000	Treasury investments (unaudited) HK\$'000	Consolidated (unaudited) HK\$'000
Assets				
Segment assets	482,846	267,899	70,989	821,734
Unallocated corporate assets				1,745
Consolidated total assets				823,479
Liabilities				
Segment liabilities	12,917	50,087	-	63,004
Unallocated corporate liabilities				82,623
Consolidated total liabilities				145,627
	At 31 December 2021			
	Healthcare (audited) HK\$'000	Property investments (audited) HK\$'000	Treasury investments (audited) HK\$'000	Consolidated (audited) HK\$'000
Assets				
Segment assets	472,542	287,402	76,003	835,947
Unallocated corporate assets				1,802
Consolidated total assets				837,749
Liabilities				
Segment liabilities	10,281	56,393	-	66,674
Unallocated corporate liabilities				63,353
Consolidated total liabilities				130,027

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

	Revenue from external customers		Results from operations	
	Six months ended 30 June		Six months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
China	37,512	40,314	8,328	21,958
Southeast Asia	12,409	12,334	4,966	6,379
North America	4,623	2,324	1,485	1,009
United Kingdom	1,208	1,330	(3,561)	(9,649)
Europe (excluding United Kingdom)	-	-	(2,331)	1,193
Other regions	450	304	(103)	240
Unallocated corporate expenses	-	-	(7,595)	(6,841)
	56,202	56,606	1,189	14,289

4. OTHER REVENUE

	Six months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Listed investments:		
Dividend income from financial assets at fair value through profit or loss	47	101
Gain on disposal of financial assets at fair value through profit or loss	25	65
	72	166

5. OTHER NET INCOME

	Six months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Commission received	-	16
Gain on disposal of property, plant and equipment	-	105
Sundry income	706	54
	706	175

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
This is stated after charging:		
(a) Finance costs		
Interest on bank borrowings	177	144
Interest on consideration payable for acquisition of trademarks	280	280
	457	424
(b) Other items		
Cost of inventories	19,969	21,298

7. TAXATION

Under the two-tiered profits tax rates regime introduced in 2018, the first HK\$2 million of profits of qualifying group entity are taxed at 8.25% and profits above HK\$2 million are taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates continue to be taxed at a flat rate of 16.5%.

Overseas taxation has been provided on the estimated assessable profits for the period, in respect of the Group's overseas operations, at the rates of taxation prevailing in the relevant jurisdictions.

The charge comprises:

	Six months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Current tax		
Hong Kong Profits Tax		
– Current period	2,942	2,890
Overseas tax	117	229
	3,059	3,119
Deferred taxation		
Origination and reversal of temporary differences	(120)	464
	2,939	3,583

8. DIVIDENDS

Dividends attributable to the previous financial year, approved during the period

At the board meeting held on 31 March 2022, the directors proposed a final dividend of HK3.8 cents per share totalling HK\$11,842,000 for the year ended 31 December 2021 (*year ended 31 December 2020: HK3.8 cents per share totalling HK\$11,842,000*) and a special dividend HK1.8 cents per share totalling HK\$5,610,000 (*2020: Nil*). Upon the approval by shareholders on 30 June 2022, the appropriation was transferred to dividends payable.

8. DIVIDENDS (CONTINUED)**Dividends attributable to the period**

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interim dividend of HK2.3 cents per share (2021: Interim dividend of HK2.8 cents)	7,168	8,726

On 31 August 2022, the directors declared an interim dividend of HK2.3 cents per share totalling HK\$7,168,000 (2021: HK2.8 cents per share totalling HK\$8,726,000 declared on 26 August 2021), which was payable to the shareholders on the register of members of the Company on 7 October 2022.

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on the loss attributable to owners of the Company for the period of HK\$2,207,000 (2021: profit of HK\$10,282,000) and the weighted average number of 311,640,000 (2021: 311,640,000) ordinary shares in issue during the period.

Diluted (loss) earnings per share equals to basic (loss) earnings per share as there were no potential dilutive ordinary shares outstanding during the two periods ended 30 June 2021 and 2022.

10. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties situated in Hong Kong and leasehold land and buildings situated in Hong Kong were stated at fair value as at 30 June 2022 as estimated by the directors with reference to the valuation provided by an independent professional valuer. The Group recorded a net deficit on revaluation of the investment properties situated in Hong Kong of HK\$3,000,000 (six months ended 30 June 2021: surplus of HK\$7,300,000) during the period, which was recognised in profit or loss. In addition, the Group recorded a deficit on revaluation of the leasehold land and buildings situated in Hong Kong of HK\$3,731,000 (six months ended 30 June 2021: surplus of HK\$17,643,000) during the period, which was recognised in the properties revaluation reserve.

10. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In addition, the Group's investment properties situated in London, the United Kingdom were also stated at fair value as at 30 June 2022 as estimated by the directors with reference to the valuation provided by an independent professional valuer. The Group recorded a net deficit on revaluation of the investment properties situated in United Kingdom of HK\$4,101,000 (*six months ended 30 June 2021: HK\$10,758,000*) during the period, which was recognised in profit or loss. During the period, the Group also recorded a deficit on exchange realignment of HK\$12,041,000 (*six months ended 30 June 2021: surplus of HK\$2,162,000*) on the investment properties situated in the United Kingdom which was recognised as part of the exchange difference arising from translation of financial statements of overseas subsidiaries in the exchange reserve.

In the opinion of the directors, the change in fair value of the Group's investment properties situated in Singapore for the period was not material to the results of the Group.

During the period, the Group acquired property, plant and equipment of HK\$69,000 (*six months ended 30 June 2021: HK\$736,000*).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Trade receivables	4,844	3,002
Bills receivable	8,156	5,729
Other receivables		
Deposits, prepayments and other debtors	3,638	4,276
	16,638	13,007

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group allows credit period ranging from 30 days to 120 days (2021: 30 days to 120 days) to its customers. The ageing analysis of trade receivables by invoice date is as follows:

	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Within 30 days	3,017	758
31 – 60 days	781	994
61 – 90 days	264	63
91 – 120 days	782	1,187
	4,844	3,002

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's major investments as at 30 June 2022 are detailed below:

At 30 June 2022 (unaudited)					
Stock code	Fair/Market value HK\$'000	Approximate percentage of the Group's investment portfolio %	Approximate percentage of the Group's net assets %	Unrealised fair value (loss) gain for the six months ended 30 June 2022 HK\$'000	
Mutual funds, unlisted					
KBC Eco Fund SICAV-Water capitalisation	N/A	3,971	27.19	0.59	(1,608)
Multipartner SICAV-RobecoSAM Sustainable Water Fund B – capitalisation	N/A	1,761	12.06	0.26	(652)
Debt securities, unlisted					
Aberdeen Marina Club Limited	N/A	2,170	14.86	0.32	(615)
Shenzhen Xili Golf Club	N/A	2,458	16.83	0.36	616

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The Group's major investments as at 31 December 2021 are detailed below:

At 31 December 2021 (audited)					
Stock code	Fair/ Market value HK\$'000	Approximate percentage of the Group's investment portfolio %	Approximate percentage of the Group's net assets %	Unrealised fair value gain for the year ended 31 December 2021 HK\$'000	
Equity securities, listed overseas					
SANOFI ACT	SAN.EPA	1,158	6.25	0.16	47
Mutual funds, unlisted					
KBC Eco Fund SICAV-Water capitalisation	N/A	5,580	30.11	0.79	1,263
Multipartner SICAV-RobecoSAM Sustainable Water Fund B-capitalisation	N/A	2,413	13.02	0.34	532
Debt securities, unlisted					
Aberdeen Marina Club Limited	N/A	2,785	15.03	0.39	-
Shenzhen Xili Golf Club	N/A	1,842	9.94	0.26	-

13. BANK BORROWINGS, SECURED

The analysis of the carrying amount of bank borrowings is as follows:

	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Bank borrowings due for repayment within one year	13,903	16,212

The revolving loan of HK\$13,903,000 (31 December 2021: HK\$16,212,000) bears interest at the bank's cost of fund plus 1.5% per annum and is repayable one month after drawdown. The loan is secured by pledging the Group's investment properties with an aggregate carrying value of HK\$109,135,000 (31 December 2021: HK\$125,277,000) together with the assignment of rental monies derived from the investment properties.

14. TRADE AND OTHER PAYABLES

	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Trade payables	2,989	1,644
Other payables		
Accrued charges and other creditors	2,726	4,113
Accrued advertising and promotion expenses	6,924	3,718
Accrued rebates and discounts	-	1,449
	9,650	9,280
	12,639	10,924

The ageing analysis of trade payables by invoice date is as follows:

	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Within 30 days	2,585	1,630
31 – 60 days	387	-
61 – 90 days	-	-
More than 90 days	17	14
	2,989	1,644

15. SHARE CAPITAL

	At 30 June 2022 (unaudited)		At 31 December 2021 (audited)	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorised:				
At beginning and end of the reporting period				
– Ordinary share of HK\$0.05 each	600,000,000	30,000	600,000,000	30,000
Issued and fully paid:				
At beginning and end of the reporting period	311,640,000	15,582	311,640,000	15,582

16. PLEDGE OF ASSETS

The Group's investment properties were pledged to secure banking facilities, including bank borrowings, granted to the Group to the extent of HK\$61,035,000 (31 December 2021: HK\$63,381,000), of which HK\$13,903,000 (31 December 2021: HK\$16,212,000) were utilised at the end of the reporting period.

The carrying amounts of the Group's pledged assets are as follows:

	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
Investment properties	109,135	125,277

17. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in this Interim Financial Information, during the period, the Group had the following transactions with related parties.

	Six months ended 30 June	
	2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Compensation paid to key management personnel, including directors:		
– Salaries and other benefits	6,874	6,716
– Contributions to defined contribution plan	36	36
	6,910	6,752

18. FAIR VALUE DISCLOSURES

The following presents the assets measured at fair value or required to disclose their fair value in this Interim Financial Information on a recurring basis at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

18. FAIR VALUE DISCLOSURES (CONTINUED)

Financial assets measured at fair value

	30 June 2022 (unaudited) HK\$'000	Level 1 (unaudited) HK\$'000	Level 2 (unaudited) HK\$'000	Level 3 (unaudited) HK\$'000
Financial assets at fair value through profit or loss				
Equity securities, listed in Hong Kong	2,686	2,686	-	-
Equity securities, listed overseas	73	73	-	-
Mutual funds, unlisted	6,788	-	6,788	-
Debt securities, unlisted	4,823	4,823	-	-
Private equity fund, unlisted	234	-	-	234
	14,604	7,582	6,788	234
	31 December 2021 (audited) HK\$'000	Level 1 (audited) HK\$'000	Level 2 (audited) HK\$'000	Level 3 (audited) HK\$'000
Financial assets at fair value through profit or loss				
Equity securities, listed in Hong Kong	3,035	3,035	-	-
Equity securities, listed overseas	1,256	1,256	-	-
Mutual funds, unlisted	9,330	-	9,330	-
Debt securities, unlisted	4,823	4,823	-	-
Private equity fund, unlisted	284	-	-	284
	18,728	9,114	9,330	284

18. FAIR VALUE DISCLOSURES (CONTINUED)

Financial assets measured at fair value (Continued)

During the period ended 30 June 2022 and the year ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The Group's policy is to recognise transfers between levels as at the end of the reporting period.

Movements in level 3 fair value measurements

Description

	Private equity fund, unlisted	
	At 30 June 2022 (unaudited) HK\$'000	At 31 December 2021 (audited) HK\$'000
At beginning of the reporting period	284	765
Disposals	(50)	(481)
At end of the reporting period	234	284

Description of the valuation techniques and inputs used in Level 2 fair value measurement

The unlisted mutual funds are valued based on quoted market prices from dealers or by reference to quoted market prices for similar instruments.

Description of the valuation techniques and inputs used in Level 3 fair value measurement

The unlisted private equity fund's assets mainly comprise investment in unlisted companies in various industries (the "Investment") and the fair value of the Investment is estimated by the external fund manager by reference to a number of factors including the operating cash flows and financial performance of the Investment, trends within sectors and/or regions, underlying business models, expected exit timing and strategy and any specific rights or terms associated with the Investment.

Valuation processes of the Group

The Group reviews estimation of fair value of the unlisted private equity fund which is categorised into Level 3 of the fair value hierarchy. Reports with estimation of fair value are prepared by the external fund manager on a quarterly basis. Discussion of the valuation process and results is held between the chief financial officer and the Audit Committee twice a year, to coincide with the reporting dates.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2022, the interests and short positions of the directors and chief executive in the shares of the Company and associated corporations, as defined in Part XV of Securities and Futures Ordinance (the "SFO") and as 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 Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

(a) Long positions in shares of the Company

Name of director	Number of shares held			Total	Percentage of issued shares of the Company
	Personal interests	Family interests	Corporate interests		
Mr. Gan Wee Sean	27,208,322	2,380,560 (Note 1)	65,323,440 (Note 2)	94,912,322 (Note 2)	30.46%
Mr. Gan Fock Wai, Stephen	10,446,879	-	62,527,920 (Note 3)	72,974,799 (Note 3)	23.42%
Ms. Gan Fook Yin, Anita	1,190,280	-	-	1,190,280	0.38%

(b) Long positions in non-voting deferred shares of associated corporations

(i) Hoe Hin Pak Fah Yeow Manufactory Limited ("HHPFY")

Name of director	Number of non-voting deferred shares of HK\$1,000 each held			Total	Percentage of issued non-voting deferred shares of the respective corporations
	Personal interests	Family interests	Corporate interests		
Mr. Gan Wee Sean	8,600	800 (Note 1)	-	9,400	42.7%
Mr. Gan Fock Wai, Stephen	2,800	-	-	2,800	12.7%

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

DIRECTORS' INTERESTS IN SECURITIES (CONTINUED)

(b) Long positions in non-voting deferred shares of associated corporations (Continued)

(ii) Pak Fah Yeow Investment (Hong Kong) Company, Limited ("PFYT")

Name of director	Number of non-voting deferred shares of HK\$1 each held			Total	Percentage of issued non-voting deferred shares of the respective corporations
	Personal interests	Family interests	Corporate interests		
Mr. Gan Wee Sean	8,244,445	711,111 (Note 1)	-	8,955,556	42.2%
Mr. Gan Fock Wai, Stephen	2,800,000	-	-	2,800,000	13.2%

Notes:

1. Madam Khoo Phaik Gim, wife of Mr. Gan Wee Sean, beneficially owned 2,380,560 shares of the Company, 800 non-voting deferred shares of HHPFY and 711,111 non-voting deferred shares of PFYI.
2. These 65,323,440 shares were beneficially owned by Hexagan Enterprises Limited, a company wholly-owned by Mr. Gan Wee Sean and his wife, Madam Khoo Phaik Gim. The total number of 94,912,322 shares in aggregate represented approximately 30.46% of the issued shares of the Company.
3. These 62,527,920 shares were beneficially owned by Gan's Enterprises Limited, a company in which Mr. Gan Fock Wai, Stephen has an interest of approximately 32%. The total number of 72,974,799 shares in aggregate represented approximately 23.42% of the issued shares of the Company.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

DIRECTORS' INTERESTS IN SECURITIES (CONTINUED)

Other than as disclosed above, as at 30 June 2022, none of the directors or chief executives, nor their associates, had any interests and short positions in shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO and none of the directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights at any time during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, the interests or short positions of every person, other than the directors and their respective associates as disclosed in "DIRECTORS' INTERESTS IN SECURITIES" above, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, are set out below:

Long position in the shares and underlying shares of the Company

Name of shareholder	Number of shares held			Total	Percentage of issued shares of the Company
	Personal interests	Family interests	Corporate interests		
Jonathan William Brooke	21,815,000	-	15,582,500	37,397,500	12.00%

Note: Mr. Jonathan William Brooke holds 100% issued shares of Brooke Capital Limited and Fort Galle Limited. Out of 15,582,500 shares of the Company, 15,147,500 shares are held by Brooke Capital Limited and the remaining 435,000 shares are held by Fort Galle Limited. Accordingly, Mr. Jonathan William Brooke is deemed to be interested in these 15,582,500 shares.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries a party to any arrangements, to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER INFORMATION

INTERIM DIVIDEND

The directors resolved to declare an interim dividend of HK2.3 cents per share in respect of the six months ended 30 June 2022 (2021: HK2.8 cents per share) payable to the shareholders on the register of members of the Company on 7 October 2022. The interim dividend will be dispatched to the shareholders on or about 9 December 2022.

CLOSING OF REGISTER OF MEMBERS

The register of members will be closed from Wednesday, 5 October 2022 to Friday, 7 October 2022, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 3 October 2022.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the period, there were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code on corporate governance practices.

The Company has complied with code provisions as set out in the CG Code for the six months ended 30 June 2022 except the following deviation:

CORPORATE GOVERNANCE (CONTINUED)

Code provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Gan Wee Sean, the Chairman of the board of directors, was appointed as the acting Chief Executive Officer on 21 April 2008 and the Chief Executive Officer on 1 September 2011. Although these two roles are performed by the same individual, certain responsibilities have been shared with the other executive directors to balance the power and authority. In addition, all major decisions have been made in consultation with members of the board as well as senior management. The board has one non-executive director and also three independent non-executive directors who offer different independent perspectives. Therefore, the board is of the view that there are adequate balance of power and safeguards in place. The board would review and monitor the situation on a regular basis and would ensure that the present structure would not impair the balance of power in the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry of all directors, the directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 June 2022.

AUDIT COMMITTEE

The audit committee of the Company comprises the three independent non-executive directors of the Company, and meets at least twice each year. The interim financial report of the Company for the six months ended 30 June 2022 has been reviewed by the audit committee. At the request of the directors, the interim financial information set out on page 16 to page 37 has also been reviewed by the Company’s auditor, Mazars CPA 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 and an unmodified review report has been issued.