



**WHITE
FLOWER®**

PAK FAH YEOW INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 239

2023

INTERIM REPORT



This Interim Report is printed on environmentally friendly paper

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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*)

Dell'Orto Renato (A, R and N)

Chan Chi Chung, Simon (A, R and N)

COMPANY SECRETARY

Lo Tai On

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Bermuda

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Hong Kong

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SOLICITOR

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PRINCIPAL SHARE REGISTRAR

Conyers Corporate Services (Bermuda)
Limited

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HONG KONG SHARE REGISTRAR

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STOCK CODE

239

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(A) Audit Committee member

(R) Remuneration Committee member

(N) Nomination Committee member

HIGHLIGHTS

- Revenue up 124.9% year-on-year.
- Underlying recurring profit, the performance indicator of the Group, up 659.0% year-on-year, reflecting a momentous increase in sales revenue of Healthcare business.
- Reported profit was recorded for the first half of 2023 as compared to reported loss for the same period in 2022.
- The sales momentum is expected to remain in China market for the remainder of the year.

Results Summary

		Six months ended 30 June		
	Notes	2023 HK\$'000	2022 HK\$'000	Change
Revenue	1	126,414	56,202	+124.9%
Reported profit (loss)	2	55,993	(2,207)	n/m
Underlying recurring profit	3	59,054	7,779	+659.0%
		<i>HK cents</i>	<i>HK cents</i>	
Earnings (Loss) per share:	4			
Reported profit (loss)		18.0	(0.7)	n/m
Underlying recurring profit		18.9	2.5	+656.0%
Total dividends per share	4	8.5	2.3	+269.6%
		At 30 June 2023 HK\$'000	At 31 December 2022 HK\$'000	
Shareholders' funds	5	757,933	707,225	+7.2%
		<i>HK\$</i>	<i>HK\$</i>	
Net assets value per share	6	2.43	2.27	+7.0%

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 profit (loss) (“Reported Profit (Loss)”) 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 Profit (Loss) 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 weighted average number of 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 assets 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

During the first half of 2023, the global economic recovery was still clouded with uncertainty amid ongoing geopolitical tensions and the Russia-Ukraine war. The external environment was still rife with challenges including high level of inflation, interest rates and energy prices. Despite uncertainty persisted over economic recovery, the overall economy in Hong Kong improved with some positive indications. Unemployment rate fell and the number of visitors arrival increased following the complete opening of the borders in Hong Kong, Macau and Mainland China. Demand had become high for Hong Kong brand consumer goods.

The Group recorded total revenue of HK\$126,414,000 for the six months ended 30 June 2023, a significant increase of 124.9% from HK\$56,202,000 for the corresponding period in 2022. Revenue of each business segment is as follows:

	Six months ended 30 June		
	2023 HK\$'000	2022 HK\$'000	Change %
Healthcare	120,942	53,055	+128.0
Property Investments	4,334	3,118	+39.0
Treasury Investments	1,138	29	+3,824.1
	126,414	56,202	+124.9

Underlying Recurring Profit, which excludes from Reported Profit (Loss) the unrealised fair value changes of financial assets and of investment properties, was HK\$59,094,000, up 659.0% from HK\$7,779,000 year-on-year. This mainly reflected a momentous increase in sales revenue of Healthcare business following the lifting of restriction measures and the complete opening of the borders in Hong Kong, Macau and Mainland China. Earnings per share of Underlying Recurring Profit was HK18.9 cents as compared to HK2.5 cents for 2022.

Reported Profit (Loss) for the six months ended 30 June 2023 was a profit of HK\$55,993,000 (2022: a loss of HK\$2,207,000), primarily due to, amongst others mentioned above, a reduction of unrealised fair value loss on the Group's investment properties to HK\$3,593,000 from HK\$7,101,000 in 2022. Earnings per share of Reported Profit (Loss) was HK18.0 cents as compared to loss per share of HK0.7 cent for 2022.

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

	Six months ended 30 June		Change %
	2023 HK\$'000	2022 HK\$'000	
Underlying Recurring Profit	59,054	7,779	+659.0
Unrealised fair value changes of:			
Financial assets	532	(2,885)	
Investment properties:			
United Kingdom	(5,293)	(4,101)	
Hong Kong and Singapore	1,700	(3,000)	
Reported Profit (Loss)	55,993	(2,207)	n/m

n/m: not meaningful

The revaluation of other properties, which is accounted for as other comprehensive income (loss), has resulted in a net revaluation gain for the period of HK\$12,863,000 (2022: loss of HK\$3,115,000).

Total comprehensive income attributable to owners for the six months ended 30 June 2023 was approximately HK\$71,899,000 (2022: loss of HK\$12,418,000).

OPERATIONS REVIEW

Healthcare

Revenue from Healthcare segment markedly increased by 128.0% to HK\$120,942,000 (2022: HK\$53,055,000). Segment profit increased by 296.7% to HK\$73,666,000 (2022: HK\$18,571,000). Revenue of each geographical segment is as follows:

	Six months ended 30 June		
	2023 HK\$'000	2022 HK\$'000	Change %
China (including Mainland China, Hong Kong and Macau)	98,560	35,685	+176.2
Southeast Asia	20,287	12,297	+65.0
North America	1,882	4,623	-59.3
Others	213	450	-52.7
Segment revenue	120,942	53,055	+128.0
Segment result – profit	73,666	18,571	+296.7

China market showed an increase in sales volume of 176.2% mainly due to the re-opening of cross-border tourism and trade in January 2023 after years of closure. This had particularly boosted the sales within Hong Kong and Macau as consumer sentiment improved. With the cross-border re-opening in effect, online and offline advertising in Mainland China was enhanced to further increase customer brand recall to capture their buying desire of Hoe Hin products.

Sales turnover in Southeast Asia saw strong growth in the first six months of 2023 compared to the corresponding period in 2022. This was mainly attributed to the increased sales volume in the Philippines due to strong advertising and promotion efforts through usage of a celebrity brand ambassador on social media platforms, concert sponsorships and outdoor advertising in this market. Singapore market had also performed well since the appointment of the new distributor in 2022 as they maintained sales in the established retail channels while also looked for new opportunities in the territory.

Sales in North America saw a drop in comparison as the distributor there was consistently maintaining a healthy inventory level in its warehouse.

Property Investments

Revenue for this segment increased by 39.0% to HK\$4,334,000 (2022: HK\$3,118,000). This change mainly represents increased rental income in the United Kingdom as all retail units had been fully let since October 2022. Such increase was partly offset by the decrease in average exchange rate in translating Pound Sterling to Hong Kong Dollar (i.e. the reporting currency). Revenue of each geographical segment is as follows:

	Six months ended 30 June		Change %
	2023 HK\$'000	2022 HK\$'000	
Hong Kong – office and residential	1,883	1,810	+4.0
Singapore – industrial	159	111	+43.2
United Kingdom – retail/residential	2,292	1,197	+91.5
Segment revenue	4,334	3,118	+39.0
Segment result – loss	(180)	(5,172)	-96.5

For the six months ended 30 June 2023, segment revenue of about 43.4%, 3.7% and 52.9% (2022: 58.0%, 3.6% and 38.4%) were derived from investment properties in Hong Kong, Singapore and the United Kingdom respectively, and their occupancy rates were 100.0%, 100.0% and 100.0% (2022: 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\$3,413,000, up 76.9% from HK\$1,929,000 in 2022. Property expenses ratio as a percentage of segment revenue decreased to 21.3% (2022: 38.1%) for the period. The improved Underlying Recurring Segment Result and property expenses ratio reflected higher occupancy rate and rental income. One-off property expenses such as building renovation and maintenance work and related costs incurred in 2022 also caused an impact of such improvement.

Segment result for the six months ended 30 June 2023 was a loss of HK\$180,000 (2022: HK\$5,172,000), principally reflecting a reduction of unrealised fair value loss of investment properties as compared to the same period in 2022.

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

	Six months ended 30 June		
	2023 HK\$'000	2022 HK\$'000	Change %
Underlying Recurring Segment Result	3,413	1,929	+76.9
Unrealised fair value changes of investment properties:			
United Kingdom	(5,293)	(4,101)	
Hong Kong and Singapore	1,700	(3,000)	
Segment result – loss	(180)	(5,172)	-96.5

Treasury Investments

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

Revenue (mainly interest income) derived from this segment increased by 3,824.1% to HK\$1,138,000 (2022: HK\$29,000). Underlying Recurring Segment Result was a profit of HK\$2,218,000 (2022: loss of HK\$1,225,000). Such change mainly reflected more interest income earned from higher yield fixed deposits as well as stronger exchange rates of the underlying assets denominated in foreign currencies during the period.

The segment result improved to a profit of HK\$2,750,000 (2022: loss of HK\$4,110,000), mainly attributable to, amongst others as mentioned above, unrealised fair value gain on listed investments as opposed to a loss in 2022.

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

	Six months ended 30 June		Change %
	2023 HK\$'000	2022 HK\$'000	
Underlying Recurring Segment Result	2,218	(1,225)	n/m
Unrealised fair value changes of financial assets	532	(2,885)	
Segment result – profit (loss)	2,750	(4,110)	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 increased by 9.3% from HK\$17,158,000 to HK\$18,746,000. This mainly reflected the effect of staff annual salary increment and of increased provision for management bonus of executive directors and senior management which was in line with improved financial results as compared to the same period in 2022.

Other Operating Expenses

Other operating expenses fell by 17.6% to HK\$10,849,000 (2022: HK\$13,166,000), mainly attributable to overall decrease in advertising and promotional expenses for the period and the non-recurring one-off property expenses incurred in 2022 as mentioned in Property Investments section above. Other operating expenses ratio as a percentage of total revenue decreased to 8.6% (2022: 23.4%) for the period. This reflected low proportional expenses as compared with the significant increase in sales turnover from Healthcare business during the period.

Finance Costs

Finance costs decreased by 5.0% to HK\$434,000 (2022: HK\$457,000), mainly due to lower bank loan balance throughout the first half of 2023 as compared to the same period in 2022, despite the hike in interest rate for the underlying loan during the period. 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) improved to 164.4 (2022: 24.5) for the period.

Taxation

Increase in taxation from HK\$2,939,000 to HK\$11,870,000 was principally due to overall increase in taxable operating profits of subsidiaries.

Investment Properties

The Group's investment properties in Hong Kong and the United Kingdom were valued at 30 June 2023 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 of the investment property portfolio as at 30 June 2023 was HK\$266,440,000, an increase of 0.6% from HK\$264,937,000 as at 31 December 2022. Such slight increase reflected economic outlook remained uncertain during the period 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 2023		As at 31 December 2022		Change in currency HK\$ %
	Original currency		Original currency		
	'000	HK\$'000	'000	HK\$'000	
Hong Kong – office and residential	HK\$145,000	145,000	HK\$143,300	143,300	+1.2
Singapore – industrial	S\$2,000	11,661	S\$2,000	11,661	-
United Kingdom – retail/residential	GBP11,100	109,779	GBP11,650	109,976	-0.2
		<u>266,440</u>		<u>264,937</u>	+0.6

Unrealised fair value loss on investment properties of HK\$3,593,000 (2022: HK\$7,101,000) 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 2023 was 0.7% (*31 December 2022: 0.8%*). Total bank borrowings of the Group amounted to HK\$5,488,000 (*31 December 2022: HK\$5,496,000*), mainly denominated in Pound Sterling with floating interest rates.

Current ratio (current assets divided by current liabilities) was 5.3 times as at 30 June 2023 (*31 December 2022: 10.8 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 2023, the Group's debt borrowing was mainly denominated in Pound Sterling. The Group also had equity and debt securities 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 2023 were approximately HK\$29.4 million (*31 December 2022: HK\$45.7 million*) in total, or about 3.2% (*31 December 2022: 5.6%*) 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\$104.3 million (*31 December 2022: HK\$104.5 million*) relating to carrying amount of the investment properties in the United Kingdom.

PLEDGE OF ASSETS

As at 30 June 2023, the Group's investment properties with an aggregate carrying value of approximately HK\$109.8 million (*31 December 2022: HK\$110.0 million*) were pledged to secure banking facilities granted to the Group to the extent of approximately HK\$60.2 million (*31 December 2022: HK\$60.3 million*), of which approximately HK\$5.5 million (*31 December 2022: HK\$5.5 million*) were utilised as at 30 June 2023.

CONTINGENT LIABILITIES

As at 30 June 2023, 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 2023, the Group had a total of 99 (31 December 2022: 95) 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

As economic activities continue to resume, the sales momentum is expected to remain in China market for the remainder of the year. Due to substantial growth and strong demand in the local Hong Kong market and given the tight labour market in Hong Kong, production at the Group's manufacturing facility has been running at full capacity and therefore the production for Hoe Hin products is being prioritised to cater to the market demands of each respective market. To cater for such demand, some wages adjustment and incentives have been made for maintaining manpower on production, and new machinery has been purchased and will be installed to boost the production capacity at the factory.

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

Hong Kong, 30 August 2023

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

mazars

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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 2023 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 months then ended, and other explanatory notes. The Main Board Listing 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, 30 August 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2023

		Six months ended 30 June	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
	Notes		
Revenue	3	126,414	56,202
Other revenue	4	60	72
Other net income	5	136	706
Changes in inventories of finished goods		(4,904)	3,509
Raw materials and consumables used		(18,923)	(12,765)
Staff costs		(18,746)	(17,158)
Depreciation expenses		(3,728)	(3,758)
Net exchange gain (loss)		1,898	(2,467)
Other operating expenses		(10,849)	(13,166)
Profit from operations before fair value changes of financial assets through profit or loss and of investment properties		71,358	11,175
Net gain (loss) on changes in fair value of financial assets at fair value through profit or loss		532	(2,885)
Revaluation deficit in respect of investment properties		(3,593)	(7,101)
Profit from operations		68,297	1,189
Finance costs	6	(434)	(457)
Profit before taxation	6	67,863	732
Taxation	7	(11,870)	(2,939)
Profit (Loss) for the period, attributable to owners of the Company		55,993	(2,207)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Six months ended 30 June 2023

		Six months ended 30 June	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Notes			
	Other comprehensive income (loss)		
	<i>Items that may be reclassified subsequently to profit or loss:</i>		
	Exchange difference arising from translation of financial statements of overseas subsidiaries	3,150	(7,379)
	Exchange difference arising from translation of inter-company balances with overseas subsidiaries representing net investments	(107)	283
	<i>Item that will not be reclassified to profit or loss:</i>		
	Revaluation surplus (deficit) of leasehold land and buildings, net of tax effect of HK\$2,542,000 (2022: HK\$616,000)	12,863	(3,115)
	Other comprehensive income (loss) for the period, net of tax, attributable to owners of the Company	15,906	(10,211)
	Total comprehensive income (loss) for the period, attributable to owners of the Company	71,899	(12,418)
	Earnings (Loss) per share		
	Basic and diluted	9 18.0 cents	(0.7 cent)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	<i>Notes</i>	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Non-current assets			
Investment properties	10	266,440	264,937
Property, plant and equipment	10	348,530	336,223
Intangible assets		2,450	2,450
Financial assets at fair value through profit or loss	12	4,898	4,960
Deferred tax assets		921	883
		623,239	609,453
Current assets			
Inventories		12,742	15,826
Trade and other receivables	11	36,601	17,517
Financial assets at fair value through profit or loss	12	11,516	10,899
Bank balances and cash		229,463	169,441
		290,322	213,683
Current liabilities			
Bank borrowings, secured	13	5,488	5,496
Current portion of deferred income		264	268
Trade and other payables	14	14,501	12,231
Tax payables		12,914	927
Dividends payable		21,986	817
		55,153	19,739
Net current assets		235,169	193,944
Total assets less current liabilities		858,408	803,397

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2023

	<i>Notes</i>	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Non-current liabilities			
Long-term portion of consideration payable for acquisition of trademarks		2,073	2,073
Long-term portion of deferred income		38,402	36,773
Provision for directors' retirement benefits		5,582	5,350
Deferred tax liabilities		54,418	51,976
		100,475	96,172
NET ASSETS		757,933	707,225
Capital and reserves			
Share capital	15	15,582	15,582
Share premium and reserves		742,351	691,643
TOTAL EQUITY		757,933	707,225

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2023

	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 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 loss 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 (note 8)	-	-	-	-	7,168	(7,168)	-	-
2021 final and special dividends transferred to dividends 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
At 1 January 2023	15,582	21,997	243,037	(42,300)	21,191	447,718	691,643	707,225
Profit for the period	-	-	-	-	-	55,993	55,993	55,993
Other comprehensive income	-	-	12,863	3,043	-	-	15,906	15,906
Total comprehensive income attributable to owners of the Company	-	-	12,863	3,043	-	55,993	71,899	71,899
Transfer	-	-	(2,338)	-	-	2,338	-	-
Transactions with owners:								
<i>Distributions to owners</i>								
Interim dividends declared (note 8)	-	-	-	-	9,349	(9,349)	-	-
Special interim dividends declared (note 8)	-	-	-	-	17,140	(17,140)	-	-
2022 final and special dividends transferred to dividends payable	-	-	-	-	(21,191)	-	(21,191)	(21,191)
Total transactions with owners	-	-	-	-	5,298	(26,489)	(21,191)	(21,191)
At 30 June 2023	15,582	21,997	253,562	(39,257)	26,489	479,560	742,351	757,933

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2023

	Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
OPERATING ACTIVITIES		
Cash generated from operations	60,101	8,884
Interest received	1,138	29
Interest paid	(154)	(177)
Income taxes paid	(34)	(51)
Net cash generated from operating activities	61,051	8,685
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(631)	(69)
Net cash used in investing activity	(631)	(69)
FINANCING ACTIVITIES		
Payments of consideration payable for acquisition of trademark	(280)	(280)
Net movement in bank borrowings, secured	(270)	(711)
Dividends paid	(22)	(17)
Net cash used in financing activities	(572)	(1,008)
Net increase in cash and cash equivalents	59,848	7,608
Cash and cash equivalents at beginning of the reporting period	169,441	164,660
Effect of foreign exchange rate changes	174	(1,028)
Cash and cash equivalents at end of the reporting period	229,463	171,240
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	201,442	150,321
Time deposits	28,021	20,919
	229,463	171,240

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Six months ended 30 June 2023

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 2023 (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 2022 (“2022 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 2022 Annual Financial Statements, except for the adoption the following new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are effective for the Group’s financial year beginning on 1 January 2023.

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKFRS 17	Insurance Contracts
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 2023. 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 each operating segment, 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 2023			
	Healthcare	Property	Treasury	Consolidated
	(unaudited)	investments	investments	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	120,942	4,334	1,138	126,414
Segment results	73,666	(180)	2,750	76,236
Unallocated corporate expenses				(7,939)
Profit from operations				68,297
Finance costs				(434)
Profit before taxation				67,863
Taxation				(11,870)
Profit for the period				55,993
	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)

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 2023 and 31 December 2022:

	At 30 June 2023			
	Healthcare	Property	Treasury	Consolidated
	(unaudited)	investments	investments	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets				
Segment assets	574,014	269,813	67,972	911,799
Unallocated corporate assets				1,762
Consolidated total assets				913,561
Liabilities				
Segment liabilities	13,571	45,217	-	58,788
Unallocated corporate liabilities				96,840
Consolidated total liabilities				155,628
	At 31 December 2022			
	Healthcare	Property	Treasury	Consolidated
	(audited)	investments	investments	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets				
Segment assets	489,699	266,337	65,722	821,758
Unallocated corporate assets				1,378
Consolidated total assets				823,136
Liabilities				
Segment liabilities	11,199	44,117	-	55,316
Unallocated corporate liabilities				60,595
Consolidated total liabilities				115,911

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

	Revenue from external customers		Results from operations	
	Six months ended 30 June		Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
China	101,394	37,512	64,835	8,328
Southeast Asia	20,584	12,409	12,691	4,966
North America	1,882	4,623	929	1,485
United Kingdom	2,341	1,208	(3,376)	(3,561)
Europe (excluding United Kingdom)	-	-	537	(2,331)
Other regions	213	450	120	(103)
Unallocated corporate expenses	-	-	(7,439)	(7,595)
	126,414	56,202	68,297	1,189

4. OTHER REVENUE

	Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Listed investments:		
Dividend income from financial assets at fair value through profit or loss	57	47
Gain on disposal of financial assets at fair value through profit or loss	3	25
	60	72

5. OTHER NET INCOME

	Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Sundry income	136	706

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
This is stated after charging:		
(a) Finance costs		
Interest on bank borrowings	154	177
Interest on consideration payable for acquisition of trademarks	280	280
	434	457
(b) Other items		
Cost of inventories	35,159	19,969

7. TAXATION

Under the two-tiered profits tax rates regime introduced in 2018, the first HK\$2 million of profits of a 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	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax		
– Current period	11,637	2,942
Overseas tax	371	117
	12,008	3,059
Deferred taxation		
Origination and reversal of temporary differences	(138)	(120)
	11,870	2,939

8. DIVIDENDS

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

At the board meeting held on 30 March 2023, the directors proposed for the year ended 31 December 2022 a final dividend of HK3.8 cents per share totalling HK\$11,842,000 (*year ended 31 December 2021: HK3.8 cents per share totalling HK\$11,842,000*) and a special dividend of HK3 cents per share totalling HK\$9,349,000 (*year ended 31 December 2021: HK1.8 cents per share totalling HK\$5,610,000*). Upon the approval by shareholders on 7 June 2023, the appropriation of the said dividends was transferred to dividends payable.

8. DIVIDENDS (CONTINUED)

Dividends attributable to the period

	Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Interim dividend of HK3.0 cents (2022: HK2.3 cents) per share	9,349	7,168
Special interim dividend of HK5.5 cents (2022: Nil) per share	17,140	–
	26,489	7,168

On 30 August 2023, the directors declared for the six months ended 30 June 2023 an interim dividend of HK3.0 cents per share (2022: HK2.3 cents per share) and a special interim dividend of HK5.5 cents per share (2022: Nil) totalling HK\$26,489,000 (2022: HK\$7,168,000 declared on 31 August 2022), which will be payable to the shareholders whose names appear on the register of members of the Company on 6 October 2023.

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share is based on the profit attributable to owners of the Company for the period of HK\$55,993,000 (2022: loss of HK\$2,207,000) and the weighted average number of 311,640,000 (2022: 311,640,000) ordinary shares in issue during the period.

Diluted earnings (loss) per share equals to basic earnings (loss) per share as there were no potential dilutive ordinary shares outstanding during the two periods ended 30 June 2022 and 2023.

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 2023 as estimated by the directors with reference to the valuation provided by an independent professional valuer. The Group recorded a net surplus on revaluation of the investment properties situated in Hong Kong of HK\$1,700,000 (six months ended 30 June 2022: net deficit of HK\$3,000,000) during the period, which was recognised in profit or loss. In addition, the Group recorded a surplus on revaluation of the leasehold land and buildings situated in Hong Kong of HK\$15,405,000 (six months ended 30 June 2022: deficit of HK\$3,731,000) 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 2023 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\$5,293,000 (*six months ended 30 June 2022: HK\$4,101,000*) during the period, which was recognised in profit or loss. During the period, the Group also recorded a surplus on exchange realignment of HK\$5,096,000 (*six months ended 30 June 2022: deficit of HK\$12,041,000*) 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.

During the period, the Group acquired property, plant and equipment of HK\$631,000 (*six months ended 30 June 2022: HK\$69,000*).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Trade receivables	16,137	5,930
Bills receivable	13,830	7,541
Other receivables		
Deposits, prepayments and other debtors	6,634	4,046
	36,601	17,517

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group allows credit period ranging from 30 days to 120 days (2022: 30 days to 120 days) to its customers. The ageing analysis of trade receivables by invoice date is as follows:

	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Within 30 days	16,110	3,058
31 – 60 days	2	716
61 – 90 days	–	960
91 – 120 days	25	1,196
	16,137	5,930

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's major investments as at 30 June 2023 are detailed below:

At 30 June 2023 (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 gain (loss) for the six months ended 30 June 2023 HK\$'000	
Equity securities, listed in Hong Kong					
HSBC Holdings plc	0005.HK	842	5.13	0.11	172
Mutual funds, unlisted					
KBC Eco Fund SICAV-Water capitalisation	N/A	4,633	28.23	0.61	116
Multipartner SICAV-RobecoSAM Sustainable Water Fund B-capitalisation	N/A	3,219	19.61	0.42	221
Debt securities, unlisted					
Aberdeen Marina Club Limited	N/A	2,785	16.97	0.37	–
Shenzhen Xili Golf Club	N/A	1,842	11.22	0.24	–

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

The Group's major investments as at 31 December 2022 are detailed below:

At 31 December 2022 (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 loss for the year ended 31 December 2022 HK\$'000	
Mutual funds, unlisted					
KBC Eco Fund SICAV-Water capitalisation	N/A	4,428	27.92	0.63	(885)
Multipartner SICAV-RobecoSAM Sustainable Water Fund B-capitalisation	N/A	2,857	18.01	0.40	(517)
Debt securities, unlisted					
Aberdeen Marina Club Limited	N/A	2,785	17.56	0.39	-
Shenzhen Xili Golf Club	N/A	1,842	11.61	0.26	-

13. BANK BORROWINGS, SECURED

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

	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Bank borrowings due for repayment within one year	5,488	5,496

The revolving loan of HK\$5,448,000 (31 December 2022: HK\$5,496,000) 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\$109,779,000 (31 December 2022: HK\$109,976,000) together with the assignment of rental monies derived from the investment properties.

14. TRADE AND OTHER PAYABLES

	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Trade payables	715	918
Other payables		
Accrued charges and other creditors	4,451	4,496
Accrued advertising and promotion expenses	9,335	6,648
Accrued rebates and discounts	-	169
	13,786	11,313
	14,501	12,231

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

	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Within 30 days	698	901
31 – 60 days	-	-
61 – 90 days	-	-
More than 90 days	17	17
	715	918

15. SHARE CAPITAL

	At 30 June 2023 (unaudited)		At 31 December 2022 (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\$60,152,000 (31 December 2022: HK\$60,252,000), of which HK\$5,488,000 (31 December 2022: HK\$5,496,000) were utilised at the end of the reporting period.

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

	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
Investment properties	109,779	109,976

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	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Compensation paid to key management personnel, including directors:		
– Salaries and other benefits	8,991	6,874
– Contributions to defined contribution plan	36	36
	36	36

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			
	2023	Level 1	Level 2	Level 3
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss				
Equity securities, listed in				
Hong Kong	2,508	2,508	-	-
Equity securities, listed overseas	65	65	-	-
Mutual funds, unlisted	8,943	-	8,943	-
Debt securities, unlisted	4,823	4,823	-	-
Private equity fund, unlisted	75	-	-	75
	16,414	7,396	8,943	75

	31			
	December	Level 1	Level 2	Level 3
	2022	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss				
Equity securities, listed in				
Hong Kong	2,514	2,514	-	-
Equity securities, listed overseas	72	72	-	-
Mutual funds, unlisted	8,313	-	8,313	-
Debt securities, unlisted	4,823	4,823	-	-
Private equity fund, unlisted	137	-	-	137
	15,859	7,409	8,313	137

18. FAIR VALUE DISCLOSURES (CONTINUED)

Financial assets measured at fair value (Continued)

During the period ended 30 June 2023 and the year ended 31 December 2022, 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 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
At beginning of the reporting period	137	284
Disposals	(62)	(147)
At end of the reporting period	75	137

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 2023, 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				Percentage of issued shares of the Company
	Personal interests	Family interests	Corporate interests	Total	
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				Percentage of issued non-voting deferred shares of the respective corporations
	Personal interests	Family interests	Corporate interests	Total	
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 ("PFYI")

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 2023, 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 2023, 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.

Save as disclosed above, as at 30 June 2023, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

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 DIVIDENDS

The directors resolved to declare in respect of the six months ended 30 June 2023 an interim dividend of HK3.0 cents per share (30 June 2022: HK2.3 cents per share) and a special interim dividend of HK5.5 cents per share (30 June 2022: Nil) payable to the shareholders whose names appear on the register of members of the Company on 6 October 2023. The interim dividend and the special interim dividend will be dispatched to the shareholders on 8 December 2023.

CLOSING OF REGISTER OF MEMBERS

The register of members will be closed from Wednesday, 4 October 2023 to Friday, 6 October 2023, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend and the special 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 Tuesday, 3 October 2023.

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 2023 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.

Code provision F.2.2 of the CG Code provides, inter alia, that the Company's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence. Due to unforeseeable matter happened, the external auditor was unable to attend the annual general meeting of the Company held on 7 June 2023. The Board will continue to bring the importance of attending annual general meetings to the attention of the external auditor of 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 2023.

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 information of the Company for the six months ended 30 June 2023 and this interim report have 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.