

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PAK FAH YEOW INTERNATIONAL LIMITED

白花油國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 239)

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

HIGHLIGHTS

- Revenue and Underlying Recurring Profit decreased year-on-year by 28.5% and 26.6% respectively, primarily due to a decline in sales revenue in Healthcare business.
- Reported profit down 16.2%. Lower non-cash fair value losses on investment properties were recorded in H1 2025.
- An interim dividend of HK3.0 cents per share and a special interim dividend of HK5.0 cents per share were declared.

The board of directors (the “Board”) of Pak Fah Yeow International Limited (the “Company”) announces the interim results of the Company and its subsidiaries (collectively referred as the “Group”) for the six months ended 30 June 2025 together with comparative figures for the previous year as follows:

RESULTS SUMMARY

	<i>Notes</i>	Six months ended 30 June		Change
		2025	2024	
		<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	<i>1</i>	94,734	132,468	-28.5%
Reported profit	<i>2</i>	39,743	47,407	-16.2%
Underlying recurring profit	<i>3</i>	45,294	61,710	-26.6%
		<i>HK cents</i>	<i>HK cents</i>	
Earnings per share:	<i>4</i>			
Reported profit		12.8	15.2	-15.8%
Underlying recurring profit		14.5	19.8	-26.8%
Total dividends per share	<i>4</i>	8.0	9.5	-15.8%
		At	At	
		30 June	31 December	
		2025	2024	
		<i>HK\$'000</i>	<i>HK\$'000</i>	
Shareholders' funds	<i>5</i>	704,177	731,908	-3.8%
		<i>HK\$</i>	<i>HK\$</i>	
Net assets value per share	<i>6</i>	2.26	2.35	-3.8%

- 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 (“Reported Profit”) is the profit attributable to owners of the Company, which is prepared in accordance with HKFRS Accounting Standards as 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 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 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.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	2	94,734	132,468
Other revenue	3	66	85
Other net income	4	158	290
Changes in inventories of finished goods		3,332	(1,278)
Raw materials and consumables used		(13,589)	(16,600)
Staff costs		(22,105)	(20,871)
Depreciation expenses		(2,918)	(3,687)
Net exchange gain (loss)		5,094	(1,212)
Other operating expenses		(10,794)	(14,009)
Profit from operations before fair value changes of financial assets through profit or loss and of investment properties		53,978	75,186
Net gain on changes in fair value of financial assets at fair value through profit or loss		1,539	481
Revaluation deficit in respect of investment properties		(7,090)	(14,784)
Profit from operations		48,427	60,883
Finance costs	5	(412)	(440)
Profit before taxation	5	48,015	60,443
Taxation	6	(8,272)	(13,036)
Profit for the period, attributable to owners of the Company		39,743	47,407

		Six months ended 30 June	
		2025	2024
		(unaudited)	(unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
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	6,277	(468)
	Exchange difference arising from translation of inter-company balances with overseas subsidiaries representing net investments	174	(3)
		6,451	(471)
<i>Item that will not be reclassified to profit or loss:</i>			
	Revaluation deficit of leasehold land and buildings, net of tax effect of HK\$8,143,000 (2024: HK\$4,607,000)	(41,203)	(23,312)
Other comprehensive loss for the period, net of tax, attributable to owners of the Company		(34,752)	(23,783)
Total comprehensive income for the period, attributable to owners of the Company		4,991	23,624
Earnings per share			
	Basic and diluted	12.8 cents	15.2 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 (unaudited) HK\$'000	At 31 December 2024 (audited) HK\$'000
	Notes		
Non-current assets			
Investment properties		230,774	227,040
Property, plant and equipment		216,503	268,690
Intangible assets		2,450	2,450
Financial assets at fair value through profit or loss		4,854	4,867
Deferred tax assets		1,138	1,066
		<u>455,719</u>	<u>504,113</u>
Current assets			
Inventories		15,718	12,083
Trade and other receivables	9	19,023	33,217
Financial assets at fair value through profit or loss		18,034	14,202
Tax recoverable		–	3,921
Bank balances and cash		343,752	275,818
		<u>396,527</u>	<u>339,241</u>
Current liabilities			
Bank borrowings, secured		4,789	4,204
Current portion of deferred income		311	294
Trade and other payables	10	16,500	13,941
Tax payables		6,039	1,406
Dividends payable		33,647	1,042
		<u>61,286</u>	<u>20,887</u>
Net current assets		<u>335,241</u>	<u>318,354</u>
Total assets less current liabilities		<u>790,960</u>	<u>822,467</u>

		At 30 June 2025 (unaudited) HK\$'000	At 31 December 2024 (audited) HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Long-term portion of consideration payable for acquisition of trademarks		2,073	2,073
Long-term portion of deferred income		43,722	39,693
Provision for directors' retirement benefits		6,902	6,465
Deferred tax liabilities		34,086	42,328
		<u>86,783</u>	<u>90,559</u>
NET ASSETS		<u>704,177</u>	<u>731,908</u>
Capital and reserves			
Share capital	11	15,582	15,582
Share premium and reserves		688,595	716,326
TOTAL EQUITY		<u>704,177</u>	<u>731,908</u>

Notes:

1. 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 2024 Annual Financial Statements, except for the adoption of the following new/revised HKFRS Accounting Standards that are effective for the Group's financial year beginning on 1 January 2025.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of these amendments to HKFRS Accounting Standards does not have any significant impacts on the Interim Financial Information of the Group.

The Group has not early adopted any new/revised HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning on 1 January 2025. The directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRS Accounting Standards, but are not yet in a position to reasonably estimate their impact on the Group's results and financial position.

2. 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 brand of 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 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 Interim Financial Information. 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.

Business segments

	Six months ended 30 June 2025			
	Healthcare (unaudited) HK\$'000	Property investments (unaudited) HK\$'000	Treasury investments (unaudited) HK\$'000	Consolidated (unaudited) HK\$'000
Revenue from external customers	<u>86,724</u>	<u>4,748</u>	<u>3,262</u>	<u>94,734</u>
Segment results	<u>52,386</u>	<u>(2,978)</u>	<u>7,427</u>	<u>56,835</u>
Unallocated corporate expenses				<u>(8,408)</u>
Profit from operations				<u>48,427</u>
Finance costs				<u>(412)</u>
Profit before taxation				<u>48,015</u>
Taxation				<u>(8,272)</u>
Profit for the period				<u><u>39,743</u></u>

	Six months ended 30 June 2024			
	Healthcare (unaudited) HK\$'000	Property investments (unaudited) HK\$'000	Treasury investments (unaudited) HK\$'000	Consolidated (unaudited) HK\$'000
Revenue from external customers	<u>123,442</u>	<u>4,752</u>	<u>4,274</u>	<u>132,468</u>
Segment results	<u>76,974</u>	<u>(10,763)</u>	<u>4,194</u>	<u>70,405</u>
Unallocated corporate expenses				<u>(9,522)</u>
Profit from operations				<u>60,883</u>
Finance costs				<u>(440)</u>
Profit before taxation				<u>60,443</u>
Taxation				<u>(13,036)</u>
Profit for the period				<u><u>47,407</u></u>

Segment assets and liabilities

The following table presents segment assets and liabilities of the Group's business segments as at 30 June 2025 and 31 December 2024:

	At 30 June 2025			
	Healthcare (unaudited) HK\$'000	Property investments (unaudited) HK\$'000	Treasury investments (unaudited) HK\$'000	Consolidated (unaudited) HK\$'000
Assets				
Segment assets	370,710	232,021	247,120	849,851
Unallocated corporate assets				2,395
Consolidated total assets				852,246
Liabilities				
Segment liabilities	16,051	49,779	–	65,830
Unallocated corporate liabilities				82,239
Consolidated total liabilities				148,069
	At 31 December 2024			
	Healthcare (audited) HK\$'000	Property investments (audited) HK\$'000	Treasury investments (audited) HK\$'000	Consolidated (audited) HK\$'000
Assets				
Segment assets	360,292	228,193	248,616	837,101
Unallocated corporate assets				6,253
Consolidated total assets				843,354
Liabilities				
Segment liabilities	12,578	45,143	–	57,721
Unallocated corporate liabilities				53,725
Consolidated total liabilities				111,446

Geographical information

	Revenue from external customers		Results from operations	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
China	71,764	100,588	37,518	51,567
Southeast Asia	18,748	24,674	14,238	14,526
North America	872	3,855	391	2,159
United Kingdom	3,178	3,172	3,077	1,312
Europe (excluding United Kingdom)	–	–	910	173
Other regions	172	179	103	(45)
Unallocated corporate expenses	–	–	(7,810)	(8,809)
	<u>94,734</u>	<u>132,468</u>	<u>48,427</u>	<u>60,883</u>

3. OTHER REVENUE

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Listed investments:		
Dividend income from financial assets at fair value through profit or loss	67	84
(Loss) Gain on disposal of financial assets at fair value through profit or loss	(1)	1
	<u>66</u>	<u>85</u>

4. OTHER NET INCOME

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sundry income	158	290

5. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>

This is stated after charging:

(a) Finance costs

Interest on bank borrowings	132	160
Interest on consideration payable for acquisition of trademarks	280	280
	412	440

(b) Other items

Cost of inventories	23,343	30,597
---------------------	---------------	---------------

6. 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	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax		
– Current period	7,822	12,582
Overseas tax	621	591
	8,443	13,173
Deferred taxation		
Origination and reversal of temporary differences	(171)	(137)
	8,272	13,036

7. DIVIDENDS

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

At the board meeting held on 27 March 2025, the directors proposed for the year ended 31 December 2024 a final dividend of HK3.8 cents per share totalling HK\$11,842,000 (*year ended 31 December 2023: HK3.8 cents per share totalling HK\$11,842,000*) and a special final dividend of HK6.7 cents per share totalling HK\$20,880,000 (*year ended 31 December 2023: HK8.2 cents per share totalling HK\$25,555,000*). Upon the approval by shareholders on 16 June 2025, the appropriation of the said dividends was transferred to dividends payable.

Dividends attributable to the period

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interim dividend of HK3.0 cents per share (2024: HK3.0 cents per share)	9,349	9,349
Special interim dividend of HK5.0 cents per share (2024: HK6.5 cents per share)	15,582	20,257
	<u>24,931</u>	<u>29,606</u>

On 21 August 2025, the directors declared for the six months ended 30 June 2025 an interim dividend of HK3.0 cents per share (2024: HK3.0 cents per share) and a special interim dividend of HK5.0 cents per share (2024: HK6.5 cents per share) totalling HK\$24,931,000 (2024: HK\$29,606,000 declared on 27 August 2024), which will be payable to shareholders whose names appear on the register of members of the Company on 6 October 2025.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the profit attributable to owners of the Company for the period of HK\$39,743,000 (2024: HK\$47,407,000) and the weighted average number of 311,640,000 (2024: 311,640,000) ordinary shares in issue during the period.

Diluted earnings per share equals to basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

9. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 (unaudited) HK\$'000	At 31 December 2024 (audited) HK\$'000
Trade receivables	9,689	19,190
Bills receivables	5,922	9,529
Other receivables		
Deposits, prepayments and other debtors	3,412	4,498
	19,023	33,217

The Group allows a credit period ranging from 30 days to 120 days (2024: 30 days to 120 days) to its customers. The ageing analysis of trade receivables by invoice date is as follows:

	At 30 June 2025 (unaudited) HK\$'000	At 31 December 2024 (audited) HK\$'000
Within 30 days	4,013	14,638
31 – 60 days	2,284	1,537
61 – 90 days	2,149	1,917
91 – 120 days	1,243	1,098
	9,689	19,190

10. TRADE AND OTHER PAYABLES

	At 30 June 2025 (unaudited) HK\$'000	At 31 December 2024 (audited) HK\$'000
Trade payables	3,586	1,444
Other payables		
Accrued charges and other creditors	4,768	6,610
Accrued advertising and promotion expenses	6,501	5,382
Accrued rebates and discounts	1,645	505
	12,914	12,497
	16,500	13,941

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

	At 30 June 2025 (unaudited) HK\$'000	At 31 December 2024 (audited) HK\$'000
Within 30 days	3,558	1,054
31 – 60 days	11	373
61 – 90 days	–	–
More than 90 days	17	17
	3,586	1,444

11. SHARE CAPITAL

	At 30 June 2025 (unaudited)		At 31 December 2024 (audited)	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorised:				
At beginning and end of the reporting period				
– Ordinary shares 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

12. PLEDGE OF ASSETS

The Group's investment properties in the United Kingdom were pledged to secure banking facilities, including bank borrowings, granted to the Group to the extent of HK\$58,103,000 (*31 December 2024: HK\$57,758,000*), of which HK\$4,789,000 (*31 December 2024: HK\$4,204,000*) were utilised at the end of the reporting period.

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

	At 30 June 2025 (unaudited) HK\$'000	At 31 December 2024 (audited) HK\$'000
Investment properties	113,678	102,854

MANAGEMENT DISCUSSION AND ANALYSIS

Throughout this Management Discussion and Analysis section, percentage changes are calculated based on figures presented in thousands, as shown in the condensed interim financial information.

BUSINESS REVIEW

Results Overview

The first half of 2025 presented a cautious global economic environment. While inflationary pressures have shown signs of easing, the world economy continued to be shaped by geopolitical uncertainties, including ongoing regional conflicts, and by moderating consumer sentiment in many markets. Central banks in major economies maintained relatively high interest rates to curb inflation, which continued to affect borrowing costs, investment activities, and consumer spending patterns.

Against this backdrop, the Group recorded total revenue of HK\$94.7 million for the six months ended 30 June 2025, a 28.5% decline compared with HK\$132.5 million in 2024. The decrease was primarily attributable to the weaker performance of the Healthcare segment, while Treasury Investments also experienced lower interest income, partially offset by a more stable contribution from Property Investments. Revenue for each business segment is as follows:

	Six months ended 30 June		Change %
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	
Healthcare	86,724	123,442	-29.7
Property Investments	4,748	4,752	—
Treasury Investments	3,262	4,274	-23.7
	94,734	132,468	-28.5

Underlying Recurring Profit, which excludes from Reported Profit the unrealised fair value changes of financial assets and of investment properties, fell 26.6% to HK\$45.3 million (2024: HK\$61.7 million), mainly due to lower sales contribution from the Healthcare segment. Earnings per share of Underlying Recurring Profit was HK14.5 cents as compared to HK19.8 cents for 2024.

Reported Profit decreased by 16.2% to HK\$39.7 million (2024: HK\$47.4 million), as the fall in operating profits was partially offset by lower unrealised fair value losses on investment properties compared to the same period last year. Earnings per share of Reported Profit was HK12.8 cents as compared to HK15.2 cents for 2024.

Below is the reconciliation between Underlying Recurring Profit and Reported Profit:

	Six months ended 30 June		Change %
	2025 HK\$'000	2024 HK\$'000	
Underlying Recurring Profit	45,294	61,710	-26.6
Unrealised fair value changes of:			
Financial assets	1,539	481	
Investment properties:			
United Kingdom	–	(1,734)	
Hong Kong and Singapore	(7,090)	(13,050)	
Reported Profit	39,743	47,407	-16.2

Total comprehensive income attributable to owners for the six months ended 30 June 2025 was approximately HK\$5.0 million (2024: HK\$23.6 million). The decrease was primarily due to higher unrealised fair value losses on self-use properties of HK\$41.2 million, as compared to HK\$23.3 million in 2024, partially offset by non-cash exchange gains arising from the translation of financial statements of overseas subsidiaries, along with other factors mentioned above.

OPERATIONS REVIEW

Healthcare

Healthcare remained the Group's core revenue contributor but recorded a decline in revenue to HK\$86.7 million (2024: HK\$123.4 million), representing a 29.7% decrease, with segment profit falling 31.9% to HK\$52.4 million (2024: HK\$77.0 million). Revenue by geographical segment is as follows:

	Six months ended 30 June		
	2025	2024	Change
	HK\$'000	HK\$'000	%
China (including Mainland China, Hong Kong and Macau)	67,687	95,660	-29.2
Southeast Asia	17,993	24,108	-25.4
North America	872	3,495	-75.1
Others	172	179	-3.9
Segment revenue	86,724	123,442	-29.7
Segment result – profit	52,386	76,974	-31.9

China

Sales revenue in China fell by 29.2% year-on-year, led by a significant drop in sales in Macau. Due to Macau's early inventory buildup in the first half of 2024 to meet anticipated demand for the second half of 2024 and the first half of 2025, purchase volumes in Macau have remained low since the second half of 2024, resulting in a decline in sales. Hong Kong also experienced a modest decrease, mainly due to reduced spending by cross-border travellers and tourists.

In contrast, sales remained broadly stable year-on-year in China, but the shift to online purchasing continued. To capture emerging demand, the Group is expanding its e-commerce initiatives and investing in brand-building campaigns, including out-of-home advertising, OTT (Over-the-Top) media, and targeted digital marketing to strengthen its online presence.

Southeast Asia

Revenue in Southeast Asia decreased during the first half of 2025. While the region continues to be a stable contributor, sales momentum slowed in Singapore and Malaysia, primarily due to weaker economic conditions in these markets. The Group will continue to raise brand awareness through multi-channel advertising and marketing campaigns, aiming to sustain the positive sales trajectory built in prior years.

North America

Sales in the USA were affected by tariff uncertainties, prompting the Group to adopt a cautious sales approach during the first half of 2025. Nevertheless, the Group expects steady sales in the second half of the year, despite potential headwinds from tariff-related market volatility.

Property Investments

Segment revenue remained flat at HK\$4.7 million (2024: HK\$4.8 million). The segment loss narrowed significantly to HK\$3.0 million (2024: HK\$10.8 million), mainly due to a lower unrealised fair value loss on investment properties. The revenue breakdown for each geographical segment is as follows:

	Six months ended 30 June		Change %
	2025 HK\$'000	2024 HK\$'000	
Hong Kong – office and residential	1,591	1,723	-7.7
Singapore – industrial	171	158	+8.2
United Kingdom – retail/residential	2,986	2,871	+4.0
Segment revenue	4,748	4,752	–
Segment result – loss	(2,978)	(10,763)	-72.3

For the six months ended 30 June 2025, segment revenue of about 33.5%, 3.6% and 62.9% (2024: 36.3%, 3.3% and 60.4%) were derived from investment properties in Hong Kong, Singapore and the United Kingdom respectively. The occupancy rates for these properties were 100.0%, 100.0% and 100.0% (2024: 93.4%, 100.0% and 100.0%) respectively.

Underlying Recurring Segment Result, which excludes from the segment result the unrealised fair value changes of investment properties, was a profit of HK\$4.1 million, slightly up 2.3% from HK\$4.0 million in 2024. Property expenses ratio as a percentage of segment revenue decreased to 13.4% (2024: 15.4%) for the period, reflecting better property expenses management in 2025.

Segment result for the six months ended 30 June 2025 was a loss of HK\$3.0 million (2024: HK\$10.8 million), primarily due to lower unrealised fair value losses of investment properties as compared to the same period in 2024.

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

	Six months ended 30 June		Change %
	2025 HK\$'000	2024 HK\$'000	
Underlying Recurring Segment Result	4,112	4,021	+2.3
Unrealised fair value changes of investment properties:			
United Kingdom	–	(1,734)	
Hong Kong and Singapore	<u>(7,090)</u>	<u>(13,050)</u>	
Segment result – loss	<u>(2,978)</u>	<u>(10,763)</u>	-72.3

Treasury Investments

In addition to depositing funds in reputable banks, the Group diversified its investments into equity and debt securities, mutual funds, and dual currency investments to optimise returns.

Segment revenue, primarily generated from interest income, decreased 23.7% to HK\$3.3 million (2024: HK\$4.3 million), reflecting the gradual decline in bank deposit rates during the period. Underlying Recurring Segment Result saw a 58.6% increase to a profit of HK\$5.9 million (2024: HK\$3.7 million), while the segment result also increased to a profit of HK\$7.4 million (2024: HK\$4.2 million). These changes reflected an improvement in investment returns despite market volatility compared to last year.

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

	Six months ended 30 June		Change %
	2025 HK\$'000	2024 HK\$'000	
Underlying Recurring Segment Result	5,888	3,713	+58.6
Unrealised fair value changes of financial assets	<u>1,539</u>	<u>481</u>	
Segment result – profit	<u>7,427</u>	<u>4,194</u>	+77.1

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 classified into production-related payroll expenses and administration payroll expenses, which include costs for management and head office staff. These costs increased by 5.9% from HK\$20.9 million to HK\$22.1 million. This increase primarily reflected the impact of annual salary increments and provision for long service payment, partially offset by decreased provision for management bonuses of executive directors, which were in line with Reported Profit as compared to the same period in 2024.

Other Operating Expenses

Other operating expenses decreased by 22.9% to HK\$10.8 million (*2024: HK\$14.0 million*), mainly attributable to an overall decrease in advertising and promotional expenses for the period. The ratio of other operating expenses to total revenue rose to 11.4% (*2024: 10.6%*) for the period, reflecting higher proportional operating expenses relative to the decline in sales turnover from Healthcare business during the period.

Finance Costs

Finance costs fell by 6.4% to HK\$0.41 million (*2024: HK\$0.44 million*), reflecting the impact of reduced interest rates during the period. Interest coverage ratio, calculated as profit from operations before interest, taxes and unrealised fair value changes of financial assets and investment properties divided by finance costs, decreased to 131.0 times (*2024: 170.9 times*) for the period.

Taxation

The decrease in taxation from HK\$13.0 million to HK\$8.3 million was principally due to an overall decrease 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 2025 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 2025 was HK\$230.8 million, a slight increase of 1.6% from HK\$227.0 million as at 31 December 2024. Pound Sterling's strength lifted UK property values in conversion, while weaker Hong Kong market conditions dragged on local asset values. 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 2025		As at 31 December 2024		Change in HK\$ %
	Original currency '000	HK\$'000	Original currency '000	HK\$'000	
Hong Kong – office and residential	HK\$104,390	104,390	HK\$111,480	111,480	-6.4
Singapore – industrial	S\$2,225	12,706	S\$2,225	12,706	–
United Kingdom – retail/residential	GBP10,560	113,678	GBP10,560	102,854	+10.5
		<u>230,774</u>		<u>227,040</u>	+1.6

An unrealised fair value loss on investment properties of HK\$7.1 million (2024: HK\$14.8 million) was recorded for the period, a drop of 52.0%.

FINANCIAL RESOURCES AND TREASURY POLICIES

The Group continued to adhere to prudent treasury policies. Gearing ratio (interest-bearing borrowings divided by total shareholders' funds) as at 30 June 2025 was 0.7% (31 December 2024: 0.6%). Total bank borrowings of the Group amounted to HK\$4.8 million (31 December 2024: HK\$4.2 million), mainly denominated in Pound Sterling with floating interest rates.

Current ratio (current assets divided by current liabilities) was 6.5 times as at 30 June 2025 (31 December 2024: 16.2 times). The Group maintained sufficient cash reserves, marketable securities and available banking facilities to meet its short-term liabilities, commitments and working capital requirements.

EXCHANGE RATE EXPOSURES

Most of the Group's business transactions were conducted in Hong Kong Dollars and United States Dollars. Some sales to Mainland China and overseas markets were denominated in Renminbi, Australian Dollars and Malaysian Ringgit, while rental income in the United Kingdom was received in Pound Sterling. As at 30 June 2025, the Group's debt borrowings were 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 2025 were approximately HK\$70.2 million (*31 December 2024: HK\$72.6 million*) in total, or about 8.2% (*31 December 2024: 8.6%*) 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\$108.9 million (*31 December 2024: HK\$98.7 million*) relating to carrying amount of the investment properties in the United Kingdom.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's investment properties in the United Kingdom with an aggregate carrying value of approximately HK\$113.7 million (*31 December 2024: HK\$102.9 million*) were pledged to secure banking facilities granted to the Group to the extent of approximately HK\$58.1 million (*31 December 2024: HK\$57.8 million*), of which approximately HK\$4.8 million (*31 December 2024: HK\$4.2 million*) were utilised as at 30 June 2025.

CONTINGENT LIABILITIES

As at 30 June 2025, 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 2025, the Group had a total of 100 (*31 December 2024: 106*) 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

Looking into the second half of 2025, the Group remains measured in its outlook, as the operating environment continues to face global uncertainties, interest rates impact, and cautious consumer sentiment.

Healthcare segment is expected to remain challenging in China, with the Group accelerating e-commerce initiatives and digital marketing to capture emerging demand. Southeast Asia will remain steady but sensitive to economic conditions, while North America is expected to face ongoing tariff-related uncertainties.

Hong Kong property market will likely remain under pressure, particularly in the office sector, while UK and Singapore properties will continue to provide stable contributions supported by full occupancy and/or long leases.

The Group will continue to optimise returns through prudent treasury management, maintaining a diversified portfolio and prioritising capital protection.

Despite external challenges, the Group's diversified business model, strong balance sheet, and strategic focus on operational efficiency and market adaptation will support long-term shareholder value creation.

OTHER INFORMATION

INTERIM DIVIDENDS

The directors resolved to declare in respect of the six months ended 30 June 2025 an interim dividend of HK3.0 cents per share (*30 June 2024: HK3.0 cents per share*) and a special interim dividend of HK5.0 cents per share (*30 June 2024: HK6.5 cents per share*) payable to the shareholders whose names appear on the register of members of the Company on 6 October 2025. The interim dividend and the special interim dividend will be dispatched to the shareholders on 5 December 2025.

CLOSING OF REGISTER OF MEMBERS

The register of members will be closed from Thursday, 2 October 2025 to Monday, 6 October 2025, 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 Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 30 September 2025.

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.

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 C1 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 in force as set out in the CG Code for the six months ended 30 June 2025 except the following deviation:

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 C3 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 their compliance with the required standard set out in the Model Code during the six months ended 30 June 2025.

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 2025 has been reviewed by the audit committee. At the request of the directors, the interim financial information has also been reviewed by the Company’s auditor, Forvis 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, which will be included in the interim report.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of the Company comprises: (i) three executive directors, namely Mr. Gan Wee Sean, Mr. Gan Fock Wai, Stephen and Mr. Gan Cheng Hooi, Gavin; (ii) one non-executive director, namely Ms. Gan Fook Yin, Anita; and (iii) three independent non-executive directors, namely Mr. Leung Man Chiu, Lawrence, Mr. Dell'Orto Renato and Mr. Chan Chi Chung, Simon.

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

Hong Kong, 21 August 2025

* *For identification purpose only*