

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 2026**

HIGHLIGHTS

- Revenue and Underlying Recurring Profit increased year-on-year by 6.7% and 3.7% respectively, primarily due to an increase in sales contribution from Healthcare business.
- Reported profit up 19.1%, primarily due to a significant decrease in non-cash fair value losses on investment properties.
- An interim dividend of HK3.0 cents per share and a special interim dividend of HK6.0 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 2026 together with comparative figures for the previous year as follows:

RESULTS SUMMARY

	<i>Notes</i>	Six months ended 30 June		Change
		2026	2025	
		HK\$'000	HK\$'000	
Revenue	<i>1</i>	101,035	94,734	+6.7%
Reported profit	<i>2</i>	47,352	39,743	+19.1%
Underlying recurring profit	<i>3</i>	46,971	45,294	+3.7%
		HK cents	HK cents	
Earnings per share:	<i>4</i>			
Reported profit		15.2	12.8	+18.8%
Underlying recurring profit		15.1	14.5	+4.1%
Total interim dividends per share	<i>4</i>	9.0	8.0	+12.5%
		At	At	
		30 June	31 December	
		2026	2025	
		HK\$'000	HK\$'000	
Shareholders' funds	<i>5</i>	734,045	722,748	+1.6%
		HK\$	HK\$	
Net assets value per share	<i>6</i>	2.36	2.32	+1.7%

- 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 interim 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 2026

		Six months ended 30 June	
		2026	2025
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	2	101,035	94,734
Other revenue	3	177	66
Other net income	4	242	158
Changes in inventories of finished goods		1,347	3,332
Raw materials and consumables used		(10,979)	(13,589)
Staff costs		(22,686)	(22,105)
Depreciation expenses		(1,857)	(2,918)
Net exchange gain		149	5,094
Other operating expenses		(10,738)	(10,794)
Profit from operations before fair value changes of financial assets through profit or loss and of investment properties		56,690	53,978
Net gain on changes in fair value of financial assets at fair value through profit or loss		501	1,539
Revaluation deficit in respect of investment properties		(120)	(7,090)
Profit from operations		57,071	48,427
Finance costs	5	(407)	(412)
Profit before taxation	5	56,664	48,015
Taxation	6	(9,312)	(8,272)
Profit for the period, attributable to owners of the Company		47,352	39,743

		Six months ended 30 June	
		2026	2025
		(unaudited)	(unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
Other comprehensive (loss) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
	Exchange difference arising from translation of financial statements of overseas subsidiaries	(455)	6,277
	Exchange difference arising from translation of inter-company balances with overseas subsidiaries representing net investments	(28)	174
		<u>(483)</u>	<u>6,451</u>
<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\$255,000 (2025: HK\$8,143,000)	<u>(1,292)</u>	<u>(41,203)</u>
	Other comprehensive loss for the period, net of tax, attributable to owners of the Company	<u>(1,775)</u>	<u>(34,752)</u>
	Total comprehensive income for the period, attributable to owners of the Company	<u><u>45,577</u></u>	<u><u>4,991</u></u>
Earnings per share			
	Basic and diluted	8 <u><u>15.2 cents</u></u>	<u><u>12.8 cents</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

		At 30 June 2026 (unaudited) HK\$'000	At 31 December 2025 (audited) HK\$'000
	Notes		
Non-current assets			
Investment properties		227,470	228,496
Property, plant and equipment		205,690	203,060
Intangible assets		2,450	2,450
Financial assets at fair value through profit or loss		4,823	4,831
Deferred tax assets		1,157	1,128
		<u>441,590</u>	<u>439,965</u>
Current assets			
Inventories		14,587	12,634
Trade and other receivables	9	21,855	27,241
Financial assets at fair value through profit or loss		22,874	13,268
Tax recoverable		–	3,999
Bank balances and cash		377,393	331,267
		<u>436,709</u>	<u>388,409</u>
Current liabilities			
Bank borrowings, secured		4,880	4,794
Current portion of deferred income		321	324
Trade and other payables	10	12,571	12,947
Tax payables		7,383	2,022
Dividends payable		35,278	1,027
		<u>60,433</u>	<u>21,114</u>
Net current assets		<u>376,276</u>	<u>367,295</u>
Total assets less current liabilities		<u>817,866</u>	<u>807,260</u>

		At 30 June 2026 (unaudited) HK\$'000	At 31 December 2025 (audited) HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Long-term portion of consideration payable for acquisition of trademarks		2,072	2,073
Long-term portion of deferred income		42,869	43,382
Provision for directors' retirement benefits		7,021	6,843
Deferred tax liabilities		31,859	32,214
		<u>83,821</u>	<u>84,512</u>
NET ASSETS		<u>734,045</u>	<u>722,748</u>
Capital and reserves			
Share capital	11	15,582	15,582
Share premium and reserves		718,463	707,166
TOTAL EQUITY		<u>734,045</u>	<u>722,748</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 2025 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 2026.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to HKFRS Accounting Standards	Volume 11
Amendments to HKFRS 9 and HKFRS 7 HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Contracts Referencing Nature-dependent Electricity Disclosures about Uncertainties in the Financial Statements (amendments)

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 2026. 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 2026			
	Healthcare (unaudited) HK\$'000	Property investments (unaudited) HK\$'000	Treasury investments (unaudited) HK\$'000	Consolidated (unaudited) HK\$'000
Revenue from external customers	93,612	5,129	2,294	101,035
Segment results	60,090	4,231	2,882	67,203
Unallocated corporate expenses				(10,132)
Profit from operations				57,071
Finance costs				(407)
Profit before taxation				56,664
Taxation				(9,312)
Profit for the period				47,352

	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	86,724	4,748	3,262	94,734
Segment results	52,386	(2,978)	7,427	56,835
Unallocated corporate expenses				(8,408)
Profit from operations				48,427
Finance costs				(412)
Profit before taxation				48,015
Taxation				(8,272)
Profit for the period				39,743

Segment assets and liabilities

The following table presents segment assets and liabilities of the Group's business segments as at 30 June 2026 and 31 December 2025:

	At 30 June 2026			Consolidated (unaudited) HK\$'000
	Healthcare	Property	Treasury	
	(unaudited)	investments	investments	
	HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	
Assets				
Segment assets	313,687	229,070	333,344	876,101
Unallocated corporate assets				2,198
				<u>878,299</u>
Consolidated total assets				<u><u>878,299</u></u>
Liabilities				
Segment liabilities	11,451	49,387	–	60,838
Unallocated corporate liabilities				83,416
				<u>144,254</u>
Consolidated total liabilities				<u><u>144,254</u></u>
	At 31 December 2025			Consolidated (audited) HK\$'000
	Healthcare	Property	Treasury	
	(audited)	investments	investments	
	HK\$'000	(audited) HK\$'000	(audited) HK\$'000	
Assets				
Segment assets	312,816	229,791	279,242	821,849
Unallocated corporate assets				6,525
				<u>828,374</u>
Consolidated total assets				<u><u>828,374</u></u>
Liabilities				
Segment liabilities	11,398	49,451	–	60,849
Unallocated corporate liabilities				44,777
				<u>105,626</u>
Consolidated total liabilities				<u><u>105,626</u></u>

Geographical information

	Revenue from external customers		Results from operations	
	Six months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
China	83,651	71,764	54,834	37,518
Southeast Asia	13,887	18,748	8,066	14,238
North America	1	872	16	391
United Kingdom	3,362	3,178	3,117	3,077
Europe (excluding United Kingdom)	–	–	243	910
Other regions	134	172	35	103
Unallocated corporate expenses	–	–	(9,240)	(7,810)
	<u>101,035</u>	<u>94,734</u>	<u>57,071</u>	<u>48,427</u>

3. OTHER REVENUE

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Listed investments:		
Dividend income from financial assets at fair value through profit or loss	177	67
Loss on disposal of financial assets at fair value through profit or loss	–	(1)
	<u>177</u>	<u>66</u>

4. OTHER NET INCOME

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Sundry income	242	158
	<u>242</u>	<u>158</u>

5. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000

This is stated after charging:

(a) Finance costs

Interest on bank borrowings	127	132
Interest on consideration payable for acquisition of trademarks	280	280
	<u>407</u>	<u>412</u>

(b) Other items

Cost of inventories	22,369	23,343
	<u>22,369</u>	<u>23,343</u>

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	
	2026	2025
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong Profits Tax		
– Current period	8,809	7,822
Overseas tax	632	621
	9,441	8,443
Deferred taxation		
Origination and reversal of temporary differences	(129)	(171)
	9,312	8,272

7. DIVIDENDS

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

At the board meeting held on 30 March 2026, the directors proposed for the year ended 31 December 2025 a final dividend of HK3.8 cents per share totalling HK\$11,842,000 (*year ended 31 December 2024: HK3.8 cents per share totalling HK\$11,842,000*) and a special final dividend of HK7.2 cents per share totalling HK\$22,438,000 (*year ended 31 December 2024: HK6.7 cents per share totalling HK\$20,880,000*). Upon the approval by shareholders on 2 June 2026, the appropriation of the said dividends was transferred to dividends payable.

Dividends attributable to the period

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interim dividend of HK3.0 cents per share (2025: HK3.0 cents per share)	9,349	9,349
Special interim dividend of HK6.0 cents per share (2025: HK5.0 cents per share)	18,698	15,582
	<u>28,047</u>	<u>24,931</u>

On 20 August 2026, the directors declared for the six months ended 30 June 2026 an interim dividend of HK3.0 cent per share (2025: HK3.0 cents per share) and a special interim dividend of HK6.0 cents per share (2025: HK5.0 cents per share) totalling HK\$28,047,000 (2025: HK\$24,931,000 declared on 21 August 2025), which will be payable to shareholders whose names appear on the register of members of the Company on 6 October 2026.

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\$47,352,000 (2025: HK\$39,743,000) and the weighted average number of 311,640,000 (2025: 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 2026 and 2025.

9. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 (unaudited) HK\$'000	At 31 December 2025 (audited) HK\$'000
Trade receivables	14,867	12,221
Bills receivables	3,879	9,314
Other receivables		
Deposits, prepayments and other debtors	3,109	5,706
	<u>21,855</u>	<u>27,241</u>

The Group allows a credit period ranging from 30 days to 120 days (*31 December 2025: 30 days to 120 days*) to its customers. The ageing analysis of trade receivables by invoice date is as follows:

	At 30 June 2026 (unaudited) HK\$'000	At 31 December 2025 (audited) HK\$'000
Within 30 days	9,205	7,627
31 – 60 days	1,604	1,613
61 – 90 days	2,906	1,580
91 – 120 days	1,152	1,401
	<u>14,867</u>	<u>12,221</u>

10. TRADE AND OTHER PAYABLES

	At 30 June 2026 (unaudited) HK\$'000	At 31 December 2025 (audited) HK\$'000
Trade payables	1,286	1,812
Other payables		
Accrued charges and other creditors	6,204	6,689
Accrued advertising and promotion expenses	3,597	2,813
Accrued rebates and discounts	1,484	1,633
	11,285	11,135
	12,571	12,947

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

	At 30 June 2026 (unaudited) HK\$'000	At 31 December 2025 (audited) HK\$'000
Within 30 days	989	1,212
31 – 60 days	267	5
More than 90 days	30	595
	1,286	1,812

11. SHARE CAPITAL

	At 30 June 2026 (unaudited)		At 31 December 2025 (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\$9,351,000 (*31 December 2025: HK\$10,213,000*), of which HK\$4,880,000 (*31 December 2025: HK\$4,794,000*) were utilised at the end of the reporting period.

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

	At 30 June 2026 (unaudited) HK\$'000	At 31 December 2025 (audited) HK\$'000
Investment properties	110,757	111,664

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 2026 remained characterised by heightened geopolitical, trade and policy uncertainties. The conflict in the Middle East contributed to volatility in energy prices and financial markets, while consumer sentiment remained cautious in a number of the Group's key markets. Although financial conditions eased in certain economies, the operating environment continued to be uneven across regions.

Against this backdrop, the Group recorded total revenue of HK\$101.0 million for the six months ended 30 June 2026, representing an increase of 6.7% from HK\$94.7 million in 2025. The increase was primarily attributable to improved performance from the Healthcare and Property Investments segments, partially offset by lower interest income from Treasury Investments. Revenue for each business segment is as follows:

	Six months ended 30 June		Change %
	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>	
Healthcare	93,612	86,724	+7.9
Property Investments	5,129	4,748	+8.0
Treasury Investments	2,294	3,262	-29.7
	<u>101,035</u>	<u>94,734</u>	+6.7

Underlying Recurring Profit, which excludes from Reported Profit the unrealised fair value changes of financial assets and investment properties, increased by 3.7% to HK\$47.0 million (2025: HK\$45.3 million), mainly due to a higher contribution from the Healthcare segment, partially offset by a lower contribution from Treasury Investments. Earnings per share of Underlying Recurring Profit was HK15.1 cents, compared with HK14.5 cents for 2025.

Reported Profit increased by 19.1% to HK\$47.4 million (2025: HK\$39.7 million), primarily due to the higher recurring contribution from the Healthcare segment and a significant reduction in unrealised fair value losses on investment properties, partially offset by the lower contribution from Treasury Investments. Earnings per share of Reported Profit was HK15.2 cents, compared with HK12.8 cents for 2025.

The reconciliation between Underlying Recurring Profit and Reported Profit is as follows:

	Six months ended 30 June		Change %
	2026 HK\$'000	2025 HK\$'000	
Underlying Recurring Profit	46,971	45,294	+3.7
Unrealised fair value changes of financial assets	501	1,539	
Investment properties – Hong Kong and Singapore	(120)	(7,090)	
Reported Profit	47,352	39,743	+19.1

Total comprehensive income attributable to owners of the Company for the six months ended 30 June 2026 amounted to approximately HK\$45.6 million (2025: HK\$5.0 million). The increase was mainly attributable to the higher Reported Profit and the substantial reduction in the revaluation deficit on self-use properties to HK\$1.3 million, compared with HK\$41.2 million in 2025. This was partially offset by net non-cash exchange losses of approximately HK\$0.5 million arising from the translation of overseas operations and inter-company balances representing net investments, compared with net exchange gains of approximately HK\$6.5 million in 2025.

OPERATIONS REVIEW

Healthcare

Healthcare remained the Group's core revenue contributor. Segment revenue increased by 7.9% to HK\$93.6 million (2025: HK\$86.7 million), while segment profit increased by 14.7% to HK\$60.1 million (2025: HK\$52.4 million). As segment profit increased at a faster rate than revenue, the segment profit margin improved to approximately 64.2% from 60.4% in 2025. Revenue by geographical segment is as follows:

Geographical segment	Six months ended 30 June		Change %
	2026 HK\$'000	2025 HK\$'000	
China (including Chinese Mainland, Hong Kong and Macau)	80,307	67,687	+18.6
Southeast Asia	13,170	17,993	-26.8
North America	–	872	-100.0
Others	135	172	-21.5
Segment revenue	93,612	86,724	+7.9
Segment result – profit	60,090	52,386	+14.7

China

Revenue from the China market, including Chinese Mainland, Hong Kong and Macau, increased by 18.6% to HK\$80.3 million (2025: HK\$67.7 million). The increase partly reflected the low comparison base in the prior period, when sales in Macau were affected by the inventory built up in 2024 during the product licence renewal process. Purchase volumes in Macau began to normalise during the period, while the Group's core distribution channels in Hong Kong remained stable and recorded some positive growth.

In Chinese Mainland, consumer behaviour continued to shift towards online channels. The Group continued to strengthen its presence on major digital platforms, including Douyin and Xiaohongshu, enhance collaborations with key opinion leaders and develop cross-border e-commerce operations. During the period, the Group also prepared a series of advertising and promotional campaigns in preparation for its 100th anniversary. These initiatives are expected to strengthen brand awareness, increase product exposure, stimulate consumer demand and support the Group's longer-term growth.

Southeast Asia

Revenue from Southeast Asia decreased by 26.8% to HK\$13.2 million (2025: *HK\$18.0 million*). The decrease was mainly attributable to shipment delays to the Philippines arising from the late delivery of a key packaging material by a supplier. As a result, certain orders originally scheduled for the first half of 2026 were deferred to the second half of the year. In Thailand, sales were affected by weaker market demand amid higher energy prices associated with the conflict in the Middle East. The distributor also adopted a more cautious inventory strategy ahead of the product licence renewal scheduled for the fourth quarter of 2026, taking into account the possibility of changes to the packaging layout following the renewal. In Singapore, sales continued to face headwinds as subdued consumer sentiment weighed on demand within the medicated oil category.

North America

No revenue was recorded from North America during the period, compared with HK\$0.9 million in 2025. In the United States, the distributor did not place orders during the first half of 2026 due to uncertainty arising from the sporadic implementation of tariffs and subsequent legal challenges. To avoid frequent price adjustments and maintain price stability in the market, the distributor adopted a cautious purchasing approach. Nevertheless, underlying demand remained intact, and orders are expected to resume in the second half of 2026. Accordingly, the Group expects North American revenue for the full year to remain broadly stable.

Property Investments

Property Investments segment revenue increased by 8.0% to HK\$5.1 million (2025: HK\$4.7 million), supported by higher rental income across Hong Kong, Singapore and the United Kingdom. The segment result improved from a loss of HK\$3.0 million in 2025 to a profit of HK\$4.2 million in 2026, mainly due to the substantial reduction in unrealised fair value losses on investment properties. The revenue breakdown for each geographical segment is as follows:

Geographical segment	Six months ended 30 June		Change %
	2026 HK\$'000	2025 HK\$'000	
Hong Kong – office and residential	1,659	1,591	+4.3
Singapore – industrial	186	171	+8.8
United Kingdom – retail/residential	3,284	2,986	+10.0
Segment revenue	5,129	4,748	+8.0
Segment result – profit (loss)	4,231	(2,978)	n/m

Note: n/m = not meaningful

For the six months ended 30 June 2026, approximately 32.3%, 3.6% and 64.0% (2025: 33.5%, 3.6% and 62.9%) of segment revenue was derived from investment properties in Hong Kong, Singapore and the United Kingdom respectively. All of these properties were fully occupied during the period (2025: *fully occupied*).

Underlying Recurring Segment Result, which excludes from the segment result the unrealised fair value changes of investment properties, was a profit of HK\$4.4 million, representing an increase of 5.8% from HK\$4.1 million in 2025. The property expenses ratio as a percentage of segment revenue increased to 15.2% (2025: 13.4%), reflecting higher property operating expenses relative to segment revenue during the period.

The segment result for the six months ended 30 June 2026 was a profit of HK\$4.2 million (2025: *loss of HK\$3.0 million*), primarily due to the significant reduction in unrealised fair value losses on investment properties compared with the same period in 2025.

The reconciliation between Underlying Recurring Segment Result and the segment result is as follows:

	Six months ended 30 June		Change %
	2026 HK\$'000	2025 HK\$'000	
Underlying Recurring Segment Result	4,351	4,112	+5.8
Unrealised fair value changes – Hong Kong and Singapore	<u>(120)</u>	<u>(7,090)</u>	
Segment result – profit (loss)	<u>4,231</u>	<u>(2,978)</u>	n/m

Note: n/m = not meaningful

Treasury Investments

In addition to placing funds with reputable banks, the Group diversified its investment portfolio to include equity and debt securities, mutual funds and dual currency investments, with a view to optimising returns while maintaining prudent risk management.

Segment revenue, primarily generated from interest income, decreased by 29.7% to HK\$2.3 million (2025: HK\$3.3 million), reflecting lower bank deposit rates during the period. Underlying Recurring Segment Result decreased by 59.6% to a profit of HK\$2.4 million (2025: HK\$5.9 million), while segment profit decreased by 61.2% to HK\$2.9 million (2025: HK\$7.4 million). The decreases were mainly attributable to lower interest income and lower investment returns compared with the prior period. The unrealised fair value gain on financial assets also decreased to HK\$0.5 million from HK\$1.5 million in 2025.

The reconciliation between Underlying Recurring Segment Result and the segment result is as follows:

	Six months ended 30 June		Change %
	2026 HK\$'000	2025 HK\$'000	
Underlying Recurring Segment Result	2,381	5,888	-59.6
Unrealised fair value changes of financial assets	<u>501</u>	<u>1,539</u>	
Segment result – profit	<u>2,882</u>	<u>7,427</u>	-61.2

FINANCIAL REVIEW

The results overview and operations review in the preceding sections also cover the financial performance 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. Total staff costs increased slightly by 2.6% from HK\$22.1 million to HK\$22.7 million, primarily reflecting the impact of annual salary increments.

Other Operating Expenses

Other operating expenses remained broadly stable, decreasing by 0.5% to HK\$10.7 million (2025: *HK\$10.8 million*). The ratio of other operating expenses to total revenue decreased to 10.6% (2025: *11.4%*), reflecting improved operating leverage as total revenue increased while other operating expenses remained broadly unchanged.

Finance Costs

Finance costs decreased by 1.2% to HK\$407,000 (2025: *HK\$412,000*), reflecting the impact of lower interest rates during the period. The interest coverage ratio, calculated as profit from operations before interest, taxation and unrealised fair value changes of financial assets and investment properties divided by finance costs, improved to 139.3 times (2025: *131.0 times*).

Taxation

Taxation increased by 12.6% from HK\$8.3 million to HK\$9.3 million, principally due to the increase in taxable operating profits of subsidiaries.

Investment Properties

The Group's investment properties in Hong Kong and the United Kingdom were valued as at 30 June 2026 by an independent professional valuer on a fair value basis. No revaluation was made for the Group's investment property in Singapore, as its fair value change was considered insignificant for the period. The valuation of the investment property portfolio as at 30 June 2026 was HK\$227.5 million, representing a slight decrease of 0.4% from HK\$228.5 million as at 31 December 2025. The decrease mainly reflected the translation effect of a weaker Pound Sterling on the United Kingdom properties and a slight decline in the valuation of the Hong Kong properties. The valuation of the Group's investment properties by geographical segment as at the reporting date is as follows:

Geographical segment	30 Jun 2026 Original currency	30 Jun 2026 HK\$'000	31 Dec 2025 Original currency	31 Dec 2025 HK\$'000	Change %
Hong Kong – office and residential	HK\$101,971,000	101,971	HK\$102,090,000	102,090	-0.1
Singapore – industrial	S\$2,434,000	14,742	S\$2,434,000	14,742	–
United Kingdom – retail/residential	GBP10,660,000	110,757	GBP10,660,000	111,664	-0.8
Total		227,470		228,496	-0.4

An unrealised fair value loss on investment properties of HK\$0.1 million was recorded for the period (2025: HK\$7.1 million), representing a reduction of approximately 98.3%. In addition, the translation of the United Kingdom properties resulted in a non-cash exchange loss of approximately HK\$0.9 million, as their Pound Sterling valuation remained unchanged while the Pound Sterling weakened against the Hong Kong Dollar. Overall, the investment property portfolio remained stable and continued to provide recurring rental income, supported by full occupancy.

FINANCIAL RESOURCES AND TREASURY POLICIES

The Group continued to adhere to prudent treasury policies. The gearing ratio, calculated as interest-bearing borrowings divided by total shareholders' funds, was 0.7% as at 30 June 2026 (31 December 2025: 0.7%). Total bank borrowings of the Group amounted to HK\$4.9 million (31 December 2025: HK\$4.8 million), and were mainly denominated in Pound Sterling and carried floating interest rates.

The current ratio, calculated as current assets divided by current liabilities, was 7.2 times as at 30 June 2026 (31 December 2025: 18.4 times). The decrease was mainly attributable to the inclusion of approximately HK\$35.3 million of dividends payable in current liabilities as at 30 June 2026, principally arising from the final and special final dividends for 2025 approved by shareholders during the period. Accordingly, the decrease in the current ratio mainly reflected the timing of the dividend payment and did not indicate a deterioration in the Group's underlying liquidity position. 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 Chinese Mainland 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 2026, the Group's bank borrowings were mainly denominated in Pound Sterling. The Group also held equity and debt securities denominated in foreign currencies.

The Group considers that it has no significant exposure to fluctuations in the United States Dollar as long as the Hong Kong Dollar remains pegged to the United States Dollar. Excluding United States Dollar exposures, the Group's foreign exchange exposure relating to investments in overseas securities and bank balances as at 30 June 2026 amounted to approximately HK\$46.9 million (*31 December 2025: HK\$36.7 million*), representing approximately 5.3% (*31 December 2025: 4.4%*) of the Group's total assets. The Group was also exposed to foreign exchange rate movements, net of the underlying bank borrowings, of approximately HK\$105.9 million (*31 December 2025: HK\$106.9 million*) in relation to the carrying amount of its investment properties in the United Kingdom.

PLEDGE OF ASSETS

As at 30 June 2026, the Group's investment properties in the United Kingdom with an aggregate carrying value of approximately HK\$110.8 million (*31 December 2025: HK\$111.7 million*) were pledged to secure banking facilities granted to the Group to the extent of approximately HK\$9.4 million (*31 December 2025: HK\$10.2 million*), of which approximately HK\$4.9 million (*31 December 2025: HK\$4.8 million*) was utilised as at 30 June 2026.

CONTINGENT LIABILITIES

As at 30 June 2026, no legal proceedings had been initiated by any third parties against the Group as defendant, nor were there any outstanding claims which might 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 any significant investment or acquisition of material capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 100 employees (*31 December 2025: 100*). Remuneration packages of employees and directors are reviewed annually and determined by reference to market remuneration 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 2026, the Group remains cautious in its outlook. The operating environment is expected to continue to be affected by geopolitical tensions, energy price volatility, trade and tariff uncertainties and cautious consumer sentiment. These factors may affect production and logistics costs, exchange rates and consumer spending in the Group's key markets.

For the Healthcare segment, the improvement in China during the first half is encouraging, although the pace and sustainability of recovery remain subject to market conditions. Sales of core products may experience modest fluctuations amid uncertainties in the global economy and consumer market. Nevertheless, the planned launch of new products, including Hoe Hin White Flower Oil Roll-On and GoodDay essential oil, is expected to broaden the product portfolio, attract new consumer groups and generate additional sales momentum. Together with the Group's 100th anniversary advertising and promotional campaigns, these initiatives are expected to reinforce brand visibility and support consumer demand.

In Southeast Asia, the deferred Philippine orders are expected to be recognised in the second half, although performance in Thailand and Singapore will remain sensitive to local economic conditions, consumer sentiment and distributor inventory management. In North America, orders are anticipated to resume as tariff-related uncertainty becomes clearer. The Group will continue to monitor market developments closely and manage production, shipments and pricing prudently.

OTHER INFORMATION

INTERIM DIVIDENDS

The directors resolved to declare in respect of the six months ended 30 June 2026 an interim dividend of HK3.0 cents per share (*30 June 2025: HK3.0 cents per share*) and a special interim dividend of HK6.0 cents per share (*30 June 2025: HK5.0 cents per share*) payable to the shareholders whose names appear on the register of members of the Company on 6 October 2026. The interim dividend and the special interim dividend will be paid to the shareholders on 4 December 2026.

CLOSING OF REGISTER OF MEMBERS

The register of members will be closed from Friday, 2 October 2026 to Tuesday, 6 October 2026, both days inclusive, during which no transfer of shares will be registered. The record date for entitlement to the proposed interim dividends is 6 October 2026. 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 Wednesday, 30 September 2026.

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 2026 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 2026.

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 2026 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, 20 August 2026

* *For identification purpose only*