



**WHITE
FLOWER®**

PAK FAH YEOW INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 239

INTERIM REPORT

2024



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 (N)

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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Limited

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STOCK CODE

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(A) *Audit Committee member*

(R) *Remuneration Committee member*

(N) *Nomination Committee member*

HIGHLIGHTS

- Revenue up 4.8% year-on-year, building on the record high achieved in the previous period.
- Underlying recurring profit, the performance indicator of the Group, up 4.5% year-on-year.
- Reported profit down 15.3%, mainly attributable to fair value losses on investment properties.
- Despite Property Investments segment may face valuation volatility, the Group remains cautiously optimistic about H2 2024.

Results Summary

		Six months ended 30 June		
	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	Change
Revenue	1	132,468	126,414	+4.8%
Reported profit	2	47,407	55,993	-15.3%
Underlying recurring profit	3	61,710	59,054	+4.5%
		<i>HK cents</i>	<i>HK cents</i>	
Earnings per share:	4			
Reported profit		15.2	18.0	-15.6%
Underlying recurring profit		19.8	18.9	+4.8%
Total dividends per share	4	9.5	8.5	+11.8%
		At 30 June 2024 <i>HK\$'000</i>	At 31 December 2023 <i>HK\$'000</i>	
Shareholders' funds	5	751,410	765,183	-1.8%
		<i>HK\$</i>	<i>HK\$</i>	
Net assets value per share	6	2.41	2.46	-2.0%

- 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 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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Results Overview

The first half of 2024 has been characterised by a mix of optimism and caution on the global economic front. The global economy has continued its recovery trajectory at a slower pace, still shadowed by ongoing geopolitical tensions, notably the protracted conflict between Russia and Ukraine, as well as occasional disruptions stemming from other regional conflicts. Inflationary pressures have persisted across major economies, driven by high energy prices and supply chain disruptions. Central banks worldwide have maintained higher interest rates to combat inflation, which has impacted borrowing costs and investment activities. The Asia-Pacific region, particularly China and its neighbours, has shown resilience. China's economy has been bolstered by domestic consumption and government stimulus measures, although it continues to grapple with structural challenges.

Against this backdrop, the Group recorded total revenue of HK\$132,468,000 for the six months ended 30 June 2024, an increase of 4.8% from HK\$126,414,000 for the corresponding period in 2023. Revenue for each business segment is as follows:

	Six months ended 30 June		
	2024	2023	Change
	HK\$'000	HK\$'000	%
Healthcare	123,442	120,942	+2.1
Property Investments	4,752	4,334	+9.6
Treasury Investments	4,274	1,138	+275.6
	132,468	126,414	+4.8

Underlying Recurring Profit, which excludes from Reported Profit the unrealised fair value changes of financial assets and of investment properties, was HK\$61,710,000, up 4.5% from HK\$59,054,000 year-on-year. This primarily reflected an increase in sales revenue from the Healthcare segment, which continued to build on the record high achieved in the previous period, alongside a rise in interest income resulting from higher levels of bank deposits. Earnings per share of Underlying Recurring Profit was HK19.8 cents as compared to HK18.9 cents for 2023.

Reported Profit for the six months ended 30 June 2024 was HK\$47,407,000 (2023: HK\$55,993,000), down 15.3%, primarily due to, amongst others mentioned above, a higher unrealised fair value loss on the Group's investment properties, which increased to HK\$14,784,000 from HK\$3,593,000 in 2023. Earnings per share of Reported Profit was HK15.2 cents as compared to HK18.0 cents for 2023.

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

	Six months ended 30 June		Change %
	2024 HK\$'000	2023 HK\$'000	
Underlying Recurring Profit	61,710	59,054	+4.5
Unrealised fair value changes of:			
Financial assets	481	532	
Investment properties:			
United Kingdom	(1,734)	(5,293)	
Hong Kong and Singapore	(13,050)	1,700	
Reported Profit	47,407	55,993	-15.3

The revaluation of other properties, accounted for as other comprehensive (loss) income, resulted in a net revaluation loss for the period of HK\$23,312,000 (2023: gain of HK\$12,863,000).

Total comprehensive income attributable to owners for the six months ended 30 June 2024 was approximately HK\$23,624,000 (2023: HK\$71,899,000).

OPERATIONS REVIEW

Healthcare

For the first half of 2024, Healthcare segment achieved a modest revenue increase of 2.1%, reaching HK\$123,442,000 compared to HK\$120,942,000 in the same period last year. Segment profit saw a more rise of 4.5%, amounting to HK\$76,974,000, up from HK\$73,666,000 in 2023. Revenue by geographical segment is as follows:

	Six months ended 30 June		
	2024 HK\$'000	2023 HK\$'000	Change %
China (including Mainland China, Hong Kong and Macau)	95,660	98,560	-2.9
Southeast Asia	24,108	20,287	+18.8
North America	3,495	1,882	+85.7
Others	179	213	-16.0
Segment revenue	123,442	120,942	+2.1
Segment result – profit	76,974	73,666	+4.5

Revenue growth varied across geographical regions. In China, which includes Mainland China, Hong Kong, and Macau, revenue decreased slightly by 2.9% to HK\$95,660,000, down from HK\$98,560,000. This decline was anticipated following a period of significant growth in 2023. Despite this, stable sales volumes in key provinces such as Guangdong and Fujian present opportunities for further market share expansion. Consequently, alongside the ongoing advertising strategy that includes traditional media platforms, such as subway stations, the Group's advertising strategy in Mainland China for 2024 will focus on online channels and digital platforms, with an emphasis on targeted and precise advertising placements. Simultaneously, efforts to penetrate markets will be intensified in various provinces with high growth potential, consistently enhancing the Group's brand image to boost product sales in key regions.

Southeast Asia demonstrated steady performance, with revenue increasing by 18.8% to HK\$24,108,000. The Philippines led this growth, showing a robust outlook for the remainder of the year. Other Southeast Asian countries, such as Singapore, also contributed positively, driven by ongoing marketing and promotional activities. These efforts included marketing campaigns on social media and extensive brand advertising across various Out of Home platforms.

North America experienced a significant revenue boost of 85.7%, reaching HK\$3,495,000. This increase reflects strong market demand and effective sales strategies implemented during the period. The positive momentum is expected to continue, improving upon the performance seen in 2023.

Property Investments

Revenue for this segment increased by 9.6% to HK\$4,752,000 (2023: HK\$4,334,000). This change mainly reflected increased rental income in the United Kingdom where rent for some retail units was uplifted after rent reviews. However, this increase was partly offset by decreased rental income in Hong Kong due to a tenant moving out without renewal. The revenue breakdown for each geographical segment is as follows:

	Six months ended 30 June		Change %
	2024 HK\$'000	2023 HK\$'000	
Hong Kong – office and residential	1,723	1,883	-8.5
Singapore – industrial	158	159	-1.0
United Kingdom – retail/residential	2,871	2,292	+25.3
Segment revenue	4,752	4,334	+9.6
Segment result – loss	(10,763)	(180)	+5,879.4

For the six months ended 30 June 2024, segment revenue of about 36.3%, 3.3% and 60.4% (2023: 43.4%, 3.7% and 52.9%) were derived from investment properties in Hong Kong, Singapore and the United Kingdom respectively. The occupancy rates for these properties were 93.4%, 100.0% and 100.0% (2023: 100.0%, 100.0% and 100.0%) 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\$4,021,000, up 17.8% from HK\$3,413,000 in 2023. Property expenses ratio as a percentage of segment revenue decreased to 15.4% (2023: 21.3%) for the period, reflecting higher rental income in 2024.

Segment result for the six months ended 30 June 2024 was a loss of HK\$10,763,000 (2023: HK\$180,000), primarily due to an increase of unrealised fair value loss of investment properties as compared to the same period in 2023.

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

	Six months ended 30 June		Change %
	2024 HK\$'000	2023 HK\$'000	
Underlying Recurring Segment Result	4,021	3,413	+17.8
Unrealised fair value changes of investment properties:			
United Kingdom	(1,734)	(5,293)	
Hong Kong and Singapore	(13,050)	1,700	
Segment result – loss	(10,763)	(180)	+5,879.4

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, increased by 275.6% to HK\$4,274,000 (2023: HK\$1,138,000). Underlying Recurring Segment Result saw a 67.4% increase to a profit of HK\$3,713,000 (2023: HK\$2,218,000), while the segment result also increased to a profit of HK\$4,194,000 (2023: HK\$2,750,000). These changes were primarily attributed to a higher overall level of bank deposits, which earned high-yield fixed deposits secured during the period, resulting in increased interest income.

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

	Six months ended 30 June		Change %
	2024 HK\$'000	2023 HK\$'000	
Underlying Recurring Segment Result	3,713	2,218	+67.4
Unrealised fair value changes of financial assets	481	532	
Segment result – profit	4,194	2,750	+52.5

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). These costs increased by 11.3% from HK\$18,746,000 to HK\$20,871,000. This increase primarily reflected the impact of annual salary increments, partly offset by decreased provision for management bonuses of executive directors, which were in line with Reported Profit as compared to the same period in 2023.

Other Operating Expenses

Other operating expenses increased by 29.1% to HK\$14,009,000 (2023: HK\$10,849,000), mainly attributable to an overall increase in advertising and promotional expenses for the period. The ratio of other operating expenses to total revenue increased to 10.6% (2023: 8.6%) for the period. This reflected higher proportional advertising and promotional expenses compared to the increase in sales turnover from Healthcare business during the period.

Finance Costs

Finance costs slightly increased by 1.4% to HK\$440,000 (2023: HK\$434,000). The overall finance costs were maintained at similar levels over the two periods. 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, improved to 170.9 times (2023: 164.4 times) for the period.

Taxation

The increase in taxation from HK\$11,870,000 to HK\$13,036,000 was principally due to an 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 2024 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 2024 was HK\$239,678,000, a drop of 6.1% from HK\$255,264,000 as at 31 December 2023. The fall in value was primarily due to a weaker office investment market conditions in Hong Kong. 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 2024		As at 31 December 2023		Change in HK\$ %
	Original currency		Original currency		
	'000	HK\$'000	'000	HK\$'000	
Hong Kong – office and residential	HK\$122,600	122,600	HK\$135,650	135,650	-9.6
Singapore – industrial	S\$2,100	12,430	S\$2,100	12,430	-
United Kingdom – retail/residential	GBP10,600	104,648	GBP10,775	107,184	-2.4
		<u>239,678</u>		<u>255,264</u>	-6.1

An unrealised fair value loss on investment properties of HK\$14,784,000 (2023: HK\$3,593,000) was recorded for the period.

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 2024 was 0.5% (31 December 2023: 0.6%). Total bank borrowings of the Group amounted to HK\$4,121,000 (31 December 2023: HK\$4,737,000), mainly denominated in Pound Sterling with floating interest rates.

Current ratio (current assets divided by current liabilities) was 4.4 times as at 30 June 2024 (31 December 2023: 7.2 times). The Group holds sufficient cash and marketable securities on hand and available banking facilities 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. Some sales to Mainland China and overseas markets were conducted in Renminbi, Australian Dollars and Malaysian Ringgit. Rental income generated in the United Kingdom was denominated in Pound Sterling. As at 30 June 2024, 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 2024 were approximately HK\$54.2 million (31 December 2023: HK\$58.7 million) in total, or about 5.8% (31 December 2023: 6.5%) 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\$100.5 million (31 December 2023: HK\$102.4 million) relating to carrying amount of the investment properties in the United Kingdom.

PLEDGE OF ASSETS

As at 30 June 2024, the Group's investment properties with an aggregate carrying value of approximately HK\$104.6 million (31 December 2023: HK\$107.2 million) were pledged to secure banking facilities granted to the Group to the extent of approximately HK\$58.6 million (31 December 2023: HK\$59.5 million), of which approximately HK\$4.1 million (31 December 2023: HK\$4.7 million) were utilised as at 30 June 2024.

CONTINGENT LIABILITIES

As at 30 June 2024, 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 2024, the Group had a total of 101 (31 December 2023: 102) 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 ahead to the second half of 2024, the Group remains cautiously optimistic about its performance despite prevailing economic uncertainties. The Group is well-positioned to leverage the economic recovery and capitalise on growth opportunities in its core markets, driving sustained revenue growth and profitability in Healthcare segment. Continued focus on innovation, market expansion, and operational efficiency will be key to maintaining positive momentum and delivering value to shareholders.

Property Investments segment may face ongoing valuation volatility due to fluctuating real estate market conditions. Hong Kong rental market continues to face challenges, with office and retail spaces experiencing varying degrees of demand fluctuation. Despite these challenges, the Group remains focused on enhancing the value of its property portfolio through prudent management, aiming to achieve stable rental income and long-term growth.

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

Hong Kong, 27 August 2024

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



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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 2024 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 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.

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong, 27 August 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2024

		Six months ended 30 June		
		2024	2023	
		(unaudited)	(unaudited)	
Notes		HK\$'000	HK\$'000	
	Revenue	3	132,468	126,414
	Other revenue	4	85	60
	Other net income	5	290	136
	Changes in inventories of finished goods		(1,278)	(4,904)
	Raw materials and consumables used		(16,600)	(18,923)
	Staff costs		(20,871)	(18,746)
	Depreciation expenses		(3,687)	(3,728)
	Net exchange (loss) gain		(1,212)	1,898
	Other operating expenses		(14,009)	(10,849)
	Profit from operations before fair value changes of financial assets through profit or loss and of investment properties		75,186	71,358
	Net gain on changes in fair value of financial assets at fair value through profit or loss		481	532
	Revaluation deficit in respect of investment properties		(14,784)	(3,593)
	Profit from operations		60,883	68,297
	Finance costs	6	(440)	(434)
	Profit before taxation	6	60,443	67,863
	Taxation	7	(13,036)	(11,870)
	Profit for the period, attributable to owners of the Company		47,407	55,993

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Six months ended 30 June 2024

		Six months ended 30 June	
		2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
	<i>Notes</i>		
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		(468)	3,150
Exchange difference arising from translation of inter-company balances with overseas subsidiaries representing net investments		(3)	(107)
<i>Item that will not be reclassified to profit or loss:</i>			
Revaluation (deficit) surplus of leasehold land and buildings, net of tax effect of HK\$4,607,000 (2023: HK\$2,542,000)		(23,312)	12,863
Other comprehensive (loss) income for the period, net of tax, attributable to owners of the Company		(23,783)	15,906
Total comprehensive income for the period, attributable to owners of the Company		23,624	71,899
Earnings per share			
Basic and diluted	9	15.2 cents	18.0 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Non-current assets			
Investment properties	10	239,678	255,264
Property, plant and equipment	10	295,439	326,596
Intangible assets		2,450	2,450
Financial assets at fair value through profit or loss	12	4,867	4,898
Deferred tax assets		1,020	983
		543,454	590,191
Current assets			
Inventories		11,420	12,197
Trade and other receivables	11	15,353	27,470
Financial assets at fair value through profit or loss	12	12,559	12,094
Bank balances and cash		352,281	265,513
		391,613	317,274
Current liabilities			
Bank borrowings, secured	13	4,121	4,737
Current portion of deferred income		285	287
Trade and other payables	14	17,924	21,970
Tax payables		29,431	16,323
Dividends payable		38,242	868
		90,003	44,185
Net current assets		301,610	273,089
Total assets less current liabilities		845,064	863,280

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2024

	<i>Notes</i>	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (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		39,088	39,050
Provision for directors' retirement benefits		6,184	5,959
Deferred tax liabilities		46,309	51,015
		93,654	98,097
NET ASSETS		751,410	765,183
Capital and reserves			
Share capital	15	15,582	15,582
Share premium and reserves		735,828	749,601
TOTAL EQUITY		751,410	765,183

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2024

	Unaudited Attributable to owners of the Company							
	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	Total HK\$'000
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
At 1 January 2024	15,582	21,997	233,943	(37,283)	37,397	493,547	749,601	765,183
Profit for the period	-	-	-	-	-	47,407	47,407	47,407
Other comprehensive loss	-	-	(23,312)	(471)	-	-	(23,783)	(23,783)
Total comprehensive (loss) income attributable to owners of the Company	-	-	(23,312)	(471)	-	47,407	23,624	23,624
Transfer	-	-	(2,236)	-	-	2,236	-	-
Transactions with owners:								
<i>Distributions to owners</i>								
Interim dividends declared (note 8)	-	-	-	-	9,349	(9,349)	-	-
Special interim dividends declared (note 8)	-	-	-	-	20,257	(20,257)	-	-
2023 final and special dividends transferred to dividends payable	-	-	-	-	(37,397)	-	(37,397)	(37,397)
Total transactions with owners	-	-	-	-	(7,791)	(29,606)	(37,397)	(37,397)
At 30 June 2024	15,582	21,997	208,395	(37,754)	29,606	513,584	735,828	751,410

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2024

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
OPERATING ACTIVITIES		
Cash generated from operations	84,123	60,101
Interest received	4,274	1,138
Interest paid	(160)	(154)
Income taxes paid	(56)	(34)
Net cash generated from operating activities	88,181	61,051
INVESTING ACTIVITIES		
Increase in time deposits with original maturity of more than three months when acquired	(10,739)	-
Purchase of property, plant and equipment	(468)	(631)
Net cash used in investing activities	(11,207)	(631)
FINANCING ACTIVITIES		
Consideration paid for acquisition of trademark	(280)	(280)
Net repayment of bank borrowings	(580)	(270)
Dividends paid	(23)	(22)
Net cash used in financing activities	(883)	(572)
Net increase in cash and cash equivalents	76,091	59,848
Cash and cash equivalents at beginning of the reporting period	262,660	169,441
Effect of foreign exchange rate changes	(62)	174
Cash and cash equivalents at end of the reporting period	338,689	229,463
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	107,518	201,442
Time deposits	244,763	28,021
Total cash and bank balances as stated in consolidated statement of financial position	352,281	229,463
Less: time deposits with original maturity of over three months	(13,592)	-
Total cash and bank balances as stated in consolidated statement of cash flows	338,689	229,463

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

Six months ended 30 June 2024

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 2024 (the “Interim Financial Information”) has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the 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 2023 (“2023 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 2023 Annual Financial Statements, except for the adoption of the following new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are effective for the Group’s financial year beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The adoption of these amendments to HKFRSs does not have any significant impacts on the Interim Financial Information 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 on 1 January 2024. 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 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.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Business segments

	Six months ended 30 June 2024			
	Healthcare	Property	Treasury	Consolidated
	(unaudited)	investments	investments	(unaudited)
	HK\$'000	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	123,442	4,752	4,274	132,468
Segment results	76,974	(10,763)	4,194	70,405
Unallocated corporate expenses				(9,522)
Profit from operations				60,883
Finance costs				(440)
Profit before taxation				60,443
Taxation				(13,036)
Profit for the period				47,407
	Six months ended 30 June 2023			
	Healthcare	Property	Treasury	Consolidated
	(unaudited)	investments	investments	(unaudited)
	HK\$'000	(unaudited)	(unaudited)	(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

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 2024 and 31 December 2023:

	At 30 June 2024			
	Healthcare	Property	Treasury	Consolidated
	(unaudited)	investments	investments	(unaudited)
	HK\$'000	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets				
Segment assets	614,420	240,803	77,551	932,774
Unallocated corporate assets				2,293
Consolidated total assets				935,067
Liabilities				
Segment liabilities	17,286	44,314	-	61,600
Unallocated corporate liabilities				122,057
Consolidated total liabilities				183,657
	At 31 December 2023			
	Healthcare	Property	Treasury	Consolidated
	(audited)	investments	investments	(audited)
	HK\$'000	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets				
Segment assets	575,704	257,022	72,729	905,455
Unallocated corporate assets				2,010
Consolidated total assets				907,465
Liabilities				
Segment liabilities	19,969	45,135	-	65,104
Unallocated corporate liabilities				77,178
Consolidated total liabilities				142,282

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

	Revenue from external customers		Results from operations	
	Six months ended 30 June		Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
China	100,588	101,394	51,567	64,835
Southeast Asia	24,674	20,584	14,526	12,691
North America	3,855	1,882	2,159	929
United Kingdom	3,172	2,341	1,312	(3,376)
Europe (excluding United Kingdom)	-	-	173	537
Other regions	179	213	(45)	120
Unallocated corporate expenses	-	-	(8,809)	(7,439)
	132,468	126,414	60,883	68,297

4. OTHER REVENUE

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Listed investments:		
Dividend income from financial assets at fair value through profit or loss	84	57
Gain on disposal of financial assets at fair value through profit or loss	1	3
	85	60

5. OTHER NET INCOME

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Sundry income	290	136

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
This is stated after charging:		
(a) Finance costs		
Interest on bank borrowings	160	154
Interest on consideration payable for acquisition of trademarks	280	280
	440	434
(b) Other items		
Cost of inventories	30,597	35,159

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.

7. TAXATION (CONTINUED)

The charge comprises:

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Current tax		
Hong Kong Profits Tax		
– Current period	12,582	11,637
Overseas tax	591	371
	13,173	12,008
Deferred taxation		
Origination and reversal of temporary differences	(137)	(138)
	13,036	11,870

8. DIVIDENDS

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

At the board meeting held on 26 March 2024, the directors proposed for the year ended 31 December 2023 a final dividend of HK3.8 cents per share totalling HK\$11,842,000 (*year ended 31 December 2022: HK3.8 cents per share totalling HK\$11,842,000*) and a special dividend of HK8.2 cents per share totalling HK\$25,555,000 (*year ended 31 December 2022: HK3.0 cents per share totalling HK\$9,349,000*). Upon the approval by shareholders on 13 June 2024, the appropriation of the said dividends was transferred to dividends payable.

Dividends attributable to the period

	Six months ended 30 June	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Interim dividend of HK3.0 cents per share (2023: HK3.0 cents per share)	9,349	9,349
Special interim dividend of HK6.5 cents per share (2023: HK5.5 cents per share)	20,257	17,140
	29,606	26,489

8. DIVIDENDS (CONTINUED)

On 27 August 2024, the directors declared for the six months ended 30 June 2024 an interim dividend of HK3.0 cents per share (2023: HK3.0 cents per share) and a special interim dividend of HK6.5 cents per share (2023: HK5.5 cents per share) totalling HK\$29,606,000 (2023: HK\$26,489,000 declared on 30 August 2023), which will be payable to shareholders whose names appear on the register of members of the Company on 4 October 2024.

9. 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\$47,407,000 (2023: HK\$55,993,000) and the weighted average number of 311,640,000 (2023: 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 two periods ended 30 June 2023 and 2024.

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 2024 as estimated by the directors with reference to the valuation provided by an independent professional valuer. The Group recorded a net deficit on revaluation of the investment properties situated in Hong Kong of HK\$13,050,000 (six months ended 30 June 2023: net surplus of HK\$1,700,000) during the period, which was recognised in profit or loss. In addition, the Group recorded a deficit on revaluation of the leasehold land and buildings situated in Hong Kong of HK\$27,919,000 (six months ended 30 June 2023: surplus of HK\$15,405,000) during the period, which was recognised in the properties revaluation reserve.

In addition, the Group's investment properties situated in London, the United Kingdom were also stated at fair value as at 30 June 2024 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\$1,734,000 (six months ended 30 June 2023: HK\$5,293,000) during the period, which was recognised in profit or loss. During the period, the Group also recorded a deficit on exchange realignment of HK\$802,000 (six months ended 30 June 2023: surplus of HK\$5,096,000) 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\$468,000 (six months ended 30 June 2023: HK\$631,000).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Trade receivables	6,403	17,435
Bills receivable	5,462	5,566
Other receivables		
Deposits, prepayments and other debtors	3,488	4,469
	15,353	27,470

The Group allows a credit period ranging from 30 days to 120 days (2023: 30 days to 120 days) to its customers. The ageing analysis of trade receivables by invoice date is as follows:

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Within 30 days	1,100	8,700
31 – 60 days	1,473	3,946
61 – 90 days	2,642	–
91 – 120 days	1,188	4,789
	6,403	17,435

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's major investments as at 30 June 2024 are detailed below:

At 30 June 2024 (unaudited)					
Stock code	Fair/Market value <i>HK\$'000</i>	Approximate percentage of the Group's investment portfolio %	Approximate percentage of the Group's net assets %	Unrealised fair value gain for the six months ended 30 June 2024 <i>HK\$'000</i>	
Equity securities, listed in Hong Kong					
HSBC Holdings plc	0005.HK	942	5.41	0.13	73
Mutual funds, unlisted					
KBC Eco Fund SICAV-Water capitalisation	N/A	3,575	20.52	0.48	208
Multipartner SICAV-RobecoSAM Sustainable Water Fund B-capitalisation	N/A	5,097	29.25	0.68	220
Debt securities, unlisted					
Aberden Marina Club Limited*	N/A	2,785	15.98	0.37	-
Shenzhen Xili Golf Club*	N/A	1,842	10.57	0.25	-

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

The Group's major investments as at 31 December 2023 are detailed below:

At 31 December 2023 (audited)					
Stock code	Fair/Market value HK\$'000	Approximate percentage of the Group's investment portfolio %	Approximate percentage of the Group's net assets %	Unrealised fair value gain for the year ended 31 December 2023 HK\$'000	
Equity securities, listed in Hong Kong					
HSBC Holdings plc	0005.HK	869	5.11	0.11	199
Mutual funds, unlisted					
KBC Eco Fund SICAV-Water capitalisation	N/A	5,047	29.70	0.66	619
Multipartner SICAV-RobecoSAM Sustainable Water Fund B-capitalisation	N/A	3,486	20.52	0.46	545
Debt securities, unlisted					
Aberdeen Marina Club Limited*	N/A	2,785	16.39	0.36	-
Shenzhen Xili Golf Club*	N/A	1,842	10.84	0.24	-

* neither held for sale nor repayment in immediate future

13. BANK BORROWINGS, SECURED

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

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Bank borrowings due for repayment within one year	4,121	4,737

The revolving loan of HK\$4,121,000 (31 December 2023: HK\$4,737,000) bears interest at the bank's cost of fund plus 2.92% per annum (31 December 2023: 1.85% 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\$104,648,000 (31 December 2023: HK\$107,184,000) together with the assignment of rental monies derived from the investment properties.

14. TRADE AND OTHER PAYABLES

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Trade payables	1,613	1,472
Other payables		
Accrued charges and other creditors	5,298	7,530
Accrued advertising and promotion expenses	7,489	6,848
Accrued rebates and discounts	1,440	1,080
Contract liabilities	2,084	5,040
	16,311	20,498
	17,924	21,970

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

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Within 30 days	1,596	1,455
31 – 60 days	–	–
61 – 90 days	–	–
More than 90 days	17	17
	1,613	1,472

15. SHARE CAPITAL

	At 30 June 2024 (unaudited)		At 31 December 2023 (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\$58,647,000 (31 December 2023: HK\$59,483,000), of which HK\$4,121,000 (31 December 2023: HK\$4,737,000) were utilised at the end of the reporting period.

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

	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
Investment properties	104,648	107,184

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	
	2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Compensation paid to key management personnel, including directors:		
– Salaries and other benefits	9,186	8,991
– Contributions to defined contribution plan	36	36

18. FAIR VALUE DISCLOSURES

The following presents the financial 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			
	2024	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	2,618	2,618	-	-
Equity securities, listed overseas	60	60	-	-
Mutual funds, unlisted	9,881	-	9,881	-
Debt securities, unlisted	4,823	4,823	-	-
Private equity fund, unlisted	44	-	-	44
	17,426	7,501	9,881	44

	31 December			
	2023	Level 1	Level 2	Level 3
	(audited)	(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	2,359	2,359	-	-
Equity securities, listed overseas	53	53	-	-
Mutual funds, unlisted	9,682	-	9,682	-
Debt securities, unlisted	4,823	4,823	-	-
Private equity fund, unlisted	75	-	-	75
	16,992	7,235	9,682	75

During the period ended 30 June 2024 and the year ended 31 December 2023, 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.

18. FAIR VALUE DISCLOSURES (CONTINUED)

Movements in level 3 fair value measurements

Description	Private equity fund, unlisted	
	At 30 June 2024 (unaudited) HK\$'000	At 31 December 2023 (audited) HK\$'000
At beginning of the reporting period	75	137
Disposals	(31)	(62)
At end of the reporting period	44	75

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 2024, 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 C3 to the Listing Rules, were as follows:

(a) Long positions in shares of the Company

Name of director	Number of shares held			Total	Percentage of issued shares of the Company
	Personal interests	Family interests	Corporate interests		
Mr. Gan Wee Sean	27,208,322	2,380,560 (Note 1)	65,323,440 (Note 2)	94,912,322 (Note 2)	30.46%
Mr. Gan Fock Wai, Stephen	10,746,879	-	62,527,920 (Note 3)	73,274,799 (Note 3)	23.51%
Ms. Gan Fook Yin, Anita	1,190,280	-	-	1,190,280	0.38%

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

(i) Hoe Hin Pak Fah Yeow Manufactory Limited (“HHPFY”)

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

**DISCLOSURE OF INTERESTS AND OTHER INFORMATION
(CONTINUED)**

DIRECTORS' INTERESTS IN SECURITIES (CONTINUED)

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

(ii) *Pak Fah Yeow Investment (Hong Kong) Company, Limited ("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 73,274,799 shares in aggregate represented approximately 23.51% 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 2024, 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 2024, 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		
Mr. 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 2024, 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 2024 an interim dividend of HK3.0 cents per share (30 June 2023: HK3.0 cents per share) and a special interim dividend of HK6.5 cents per share (30 June 2023: HK5.5 cents per share) payable to the shareholders whose names appear on the register of members of the Company on 4 October 2024. The interim dividend and the special interim dividend will be dispatched to the shareholders on 6 December 2024.

CLOSING OF REGISTER OF MEMBERS

The register of members will be closed from Wednesday, 2 October 2024 to Friday, 4 October 2024, 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/E, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 30 September 2024.

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 as set out in the CG Code for the six months ended 30 June 2024 except the following deviation:

CORPORATE GOVERNANCE (CONTINUED)

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 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 compliance with the required standard set out in the Model Code during the six months ended 30 June 2024.

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 2024 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, Forvis Mazars CPA Limited (formerly known as 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.