



MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2007

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
REVENUE	2	168,986	181,268
Cost of sales		<u>(22,556)</u>	<u>(33,086)</u>
Gross profit		146,430	148,182
Other income and gains	2	214,837	162,149
Operating and administrative expenses		(43,486)	(62,463)
Finance costs	4	<u>(42,823)</u>	<u>(39,898)</u>
PROFIT BEFORE TAX	5	274,958	207,970
Tax	6	<u>(12,069)</u>	<u>(14,725)</u>
PROFIT FOR THE YEAR		<u>262,889</u>	<u>193,245</u>
Attributable to:			
Equity holders of the Company		220,477	144,170
Minority interests		<u>42,412</u>	<u>49,075</u>
		<u>262,889</u>	<u>193,245</u>
DIVIDENDS	7		
Interim		12,541	—
Proposed final		<u>18,812</u>	<u>16,721</u>
		<u>31,353</u>	<u>16,721</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>5.27 cents</u>	<u>3.45 cents</u>

CONSOLIDATED BALANCE SHEET*31 December 2007*

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		324,395	212,177
Investment properties		2,781,460	2,498,930
Prepaid land lease payments		468	476
Available-for-sale investments		9,460	9,270
Equity-linked notes		<u>—</u>	<u>74,236</u>
Total non-current assets		<u>3,115,783</u>	<u>2,795,089</u>
CURRENT ASSETS			
Inventories		819	1,325
Properties held for sale		281,851	281,851
Trade receivables	9	8,677	9,968
Prepayments, deposits and other receivables		61,762	40,270
Equity investments at fair value through profit or loss		94,283	130,407
Equity-linked notes		22,724	—
Pledged deposits		210,785	167,354
Cash and cash equivalents		<u>299,411</u>	<u>276,212</u>
Total current assets		<u>980,312</u>	<u>907,387</u>
TOTAL ASSETS		<u>4,096,095</u>	<u>3,702,476</u>
CURRENT LIABILITIES			
Trade payables	10	1,383	1,726
Other payables and accruals		227,811	206,069
Deposits received		46,941	43,816
Interest-bearing bank and other borrowings		253,283	203,125
Tax payable		<u>14,164</u>	<u>17,438</u>
Total current liabilities		<u>543,582</u>	<u>472,174</u>
NET CURRENT ASSETS		<u>436,730</u>	<u>435,213</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,552,513</u>	<u>3,230,302</u>

CONSOLIDATED BALANCE SHEET

31 December 2007

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		585,022	655,698
Due to a director		38,778	1,058
Deferred tax liabilities		<u>438,855</u>	<u>439,192</u>
Total non-current liabilities		<u>1,062,655</u>	<u>1,095,948</u>
Net assets		<u>2,489,858</u>	<u>2,134,354</u>
 CAPITAL AND RESERVES			
Equity attributable to equity holders of the Company			
Issued capital		41,804	41,804
Reserves		1,702,936	1,381,112
Proposed final dividend		<u>18,812</u>	<u>16,721</u>
Minority interests		<u>1,763,552</u> <u>726,306</u>	<u>1,439,637</u> <u>694,717</u>
Total equity		<u>2,489,858</u>	<u>2,134,354</u>

NOTES TO FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (HK\$) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2007. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries.

1.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	<i>Financial Instruments: Disclosures</i>
HKAS 1 Amendment	<i>Capital Disclosures</i>
HK(IFRIC)-Int 8	<i>Scope of HKFRS 2</i>
HK(IFRIC)-Int 9	<i>Reassessment of Embedded Derivatives</i>
HK(IFRIC)-Int 10	<i>Interim Financial Reporting and Impairment</i>

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) *HKFRS 7 Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/ revised where appropriate.

(b) *Amendment to HKAS 1 Presentation of Financial Statements - Capital Disclosures*

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 42 to the financial statements.

(c) *HK(IFRIC)-Int 8 Scope of HKFRS 2*

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has not issued any equity instruments, the interpretation has had no effect on these financial statements.

(d) *HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives*

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

(e) *HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment*

The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

1.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 8	<i>Operating Segments</i> ¹
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i> ¹
HKAS 23 (Revised)	<i>Borrowing Costs</i> ¹
HK(IFRIC)-Int 11	<i>HKFRS 2 — Group and Treasury Share Transactions</i> ²
HK(IFRIC)-Int 12	<i>Service Concession Arrangements</i> ⁴
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i> ³
HK(IFRIC)-Int 14	<i>HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> ⁴
HKFRS 3 (Revised)	<i>Business Combination</i> ⁵
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> ⁵

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 January 2008

⁵ Effective for annual periods beginning on or after 1 July 2009

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 January 2009.

HKAS 1 has been revised to separate owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists.

As the Group currently has no customer loyalty award credits and defined benefit scheme, HK(IFRIC)-Int 13 and HK(IFRIC)-Int 14 are not applicable to the Group and therefore are unlikely to have any financial impact on the Group.

HKFRS 3 has been revised to introduce a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. HKAS 27 has been revised to require that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by the revisions to HKFRS 3 and HKAS 27 will be applied by the Group prospectively as required under the revised standards and will affect future acquisitions and transactions of the Group with minority interests.

2. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts, the total amounts received and receivable from the provision of serviced apartment and property management services, and rental income, net of PRC business taxes, from property letting, after elimination of all significant intra-group transactions.

An analysis of revenue, other income and gains is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Revenue		
Rental income from property letting	146,627	147,551
Service apartment and property management	14,425	17,253
Sale of goods	<u>7,934</u>	<u>16,464</u>
	<u>168,986</u>	<u>181,268</u>
Other income and gains		
Interest income from available-for-sale investments	708	3,675
Interest income from equity-linked notes	1,350	17,728
Interest income from loans and receivables	21,949	11,156
Dividend income from listed investments	2,890	3,426
Fair value gains on investment properties	134,242	53,610
Fair value gains, net:		
Available-for-sale investments (transfer from equity on disposal)	—	551
Equity investments at fair value through profit or loss	40,576	32,631
Gain on disposal of investment properties	—	26,846
Gain on disposal of items of property, plant and equipment	1,056	—
Gain on disposal of a subsidiary	—	11
Others	<u>12,066</u>	<u>12,515</u>
	<u>214,837</u>	<u>162,149</u>

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by geographical segment; and (ii) on a secondary segment reporting basis, by business segment.

The Group's operating businesses are structured and managed separately according to the location of assets and customers. Each of the Group's geographical segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other geographical segments. Summary details of the geographical segments are as follows:

- (a) Hong Kong;
- (b) elsewhere in the PRC; and
- (c) Thailand

In determining the Group's business segments, revenue is attributed to the segments based on the nature of their operations and the products and services they provide.

There were no intersegment sales and transfer during the year (2006: Nil).

(a) **Geographical segments**

The following table presents revenue, profit and certain asset, liability and expenditure information for the Group's geographical segments for the years ended 31 December 2007 and 2006.

Group	Hong Kong		Elsewhere in the PRC		Thailand		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	<u>29,061</u>	<u>43,609</u>	<u>139,925</u>	<u>137,659</u>	<u>—</u>	<u>—</u>	<u>168,986</u>	<u>181,268</u>
Segment results	<u>104,601</u>	<u>6,781</u>	<u>90,859</u>	<u>99,856</u>	<u>—</u>	<u>150</u>	195,460	106,787
Interest and dividend income and unallocated gains							134,145	141,175
Unallocated expenses							(11,824)	(94)
Finance costs							(42,823)	(39,898)
Profit before tax							274,958	207,970
Tax							(12,069)	(14,725)
Profit for the year							<u>262,889</u>	<u>193,245</u>
Assets and liabilities								
Segment assets	928,016	874,804	3,022,736	2,722,516	—	—	3,950,752	3,597,320
Available-for-sale investments	9,460	9,270	—	—	—	—	9,460	9,270
Equity-linked notes	22,724	74,236	—	—	—	—	22,724	74,236
Unallocated assets							<u>113,159</u>	<u>21,650</u>
Total assets							<u>4,096,095</u>	<u>3,702,476</u>
Segment liabilities	372,217	258,298	745,695	876,457	—	—	1,117,912	1,134,755
Unallocated liabilities							<u>488,325</u>	<u>433,367</u>
Total liabilities							<u>1,606,237</u>	<u>1,568,122</u>
Other segment information:								
Depreciation and amortisation	1,565	1,349	2,997	1,328	—	—	4,562	2,677
Change in fair value of investment properties	99,630	19,940	34,612	33,670	—	—	134,242	53,610
Capital expenditure	5,834	1,918	116,740	150,607	—	—	122,574	152,525
Impairment losses (reversed)/recognised in the income statement	<u>(20)</u>	<u>70</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(20)</u>	<u>70</u>

(b) **Business segments**

The following table presents revenue and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2007 and 2006:

Group

	Property investment		Provision of service apartment and property management services		Steel trading		Electronic products		Corporate and others		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Sales to external customers	<u>144,231</u>	<u>147,551</u>	<u>16,821</u>	<u>17,253</u>	<u>—</u>	<u>—</u>	<u>7,934</u>	<u>16,464</u>	<u>—</u>	<u>—</u>	<u>168,986</u>	<u>181,268</u>
Other segment information:												
Segment assets	3,270,846	2,967,580	218,335	15,392	3,886	69	6,133	5,530	451,552	608,749	3,950,752	3,597,320
Segment liabilities	(1,028,497)	(1,077,293)	(51,158)	(1,889)	(3,229)	(3,028)	(3,877)	(4,925)	(31,151)	(47,620)	(1,117,912)	(1,134,755)
Capital expenditure	<u>117,855</u>	<u>151,300</u>	<u>719</u>	<u>897</u>	<u>3,956</u>	<u>—</u>	<u>44</u>	<u>80</u>	<u>—</u>	<u>248</u>	<u>122,574</u>	<u>152,525</u>

4. FINANCE COSTS

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Interest on bank loans, overdrafts and other loans wholly repayable within five years	9,385	6,844
Interest on bank loans not wholly repayable within five years	<u>33,438</u>	<u>33,054</u>
	<u>42,823</u>	<u>39,898</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Cost of inventories sold	3,242	12,593
Cost of services provided	19,102	20,493
Depreciation of owned assets	4,554	2,669
Amortisation of prepaid land lease payments	8	8
Minimum lease payments under operating leases for land and buildings	1,525	1,225
Auditors' remuneration	650	650
Deficit on revaluation of items of property, plant and equipment	358	—
(Reversal of impairment)/impairment of trade receivables	(20)	70
Loss on disposal of items of property, plant and equipment	—	94
Loss on disposal of investment properties	440	—
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	11,278	12,885
Foreign exchange differences, net	(19,421)	(18,950)
Fair value losses, net:		
Equity-linked notes (included in operating and administrative expenses)	<u>16,412</u>	<u>43,132</u>
Employee benefits expense including directors' remuneration		
Salaries, wage and other benefits	13,789	12,513
Pension scheme contributions (defined contribution scheme) (Note)	<u>197</u>	<u>212</u>
	<u>13,986</u>	<u>12,725</u>

Note: At 31 December 2007, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2006: Nil).

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong for the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Group	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax — Hong Kong		
Charge for the year	1,000	4,090
(Overprovision)/Underprovision in prior years	(1,070)	637
Current tax — Mainland China		
Charge for the year	12,476	12,145
Deferred tax	<u>(337)</u>	<u>(2,147)</u>
Total tax charge for the year	<u>12,069</u>	<u>14,725</u>

7. DIVIDENDS

The Board of Directors has resolved to recommend at the Annual General Meeting to be held on 30 June 2008, the distribution of a final dividend of 0.45 HK cents (2006: 0.4 HK cents) per share. The final dividend if approved, will be distributed to the shareholders on 18 July 2007.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of approximately HK\$220,477,000 (2006: HK\$144,170,000) and the weighted average number of 4,180,371,092 (2006: 4,180,371,092) ordinary shares in issue during the year.

There were no dilutive potential ordinary shares for the years ended 31 December 2007 and 2006.

9. TRADE RECEIVABLES

For the Group's property rental business, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments.

The Group's trading terms with its customers are mainly on credit. Invoices are normally payable within two months of issuance, except for certain well established customers, where the terms are extended to three to six months in some cases, subject to the approval of senior management. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aged analysis of trade receivables as at the balance sheet date, based on invoice date and net of provisions, is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 1 month	2,329	2,528
1 to 2 months	1,004	1,940
2 to 3 months	968	2,185
Over 3 months	<u>4,376</u>	<u>3,315</u>
	<u><u>8,677</u></u>	<u><u>9,968</u></u>

10. TRADE PAYABLES

An aged analysis of trade payables as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 1 month	1,040	916
1 to 2 months	120	172
2 to 3 months	131	272
Over 3 months	<u>92</u>	<u>366</u>
	<u><u>1,383</u></u>	<u><u>1,726</u></u>

The trade payables are non-interest-bearing and are normally settled on 60-days terms.

BOOK CLOSURE

The Register of Members of the Company will be closed from 26 June 2008 to 30 June 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 25 June 2008.

BUSINESS REVIEW

During the year of 2007, the Group continued to focus principally on its core property investment business and recorded a net profit of approximately HK\$263 million (2006: HK\$193 million), an increase of 36.2% as compared with 2006.

PROPERTY INVESTMENT

Shanghai, PRC

The Group's Shanghai service apartment chain, operating under the name "Windsor Renaissance", has already built up a market niche in Shanghai and has continued to contribute a steady return of investment with occupancy rate of approximately 70%. Our trademark, "Windsor Renaissance", which represents a symbol of high quality service apartments, has been nicely accepted by the expatriate community in Shanghai and our tenant base covers hundreds of multinational corporations from over the world. At present, a portfolio of around 400 service apartments and villas are under our management.

Zhuhai, PRC

In order to further consolidate our Group property investment portfolios, the Group disposed of the property of Multifield Building at North Point, Hong Kong in 2006 and actively put much effort on identifying high quality commercial land banks in Zhuhai, PRC for future growth since then. In June 2006, the Group acquired a land area of approximately 36,808 square metres in Zhuhai, PRC. The land is planned to be developed into a fully integrated shopping mall after completion of the demolition and removal of existing constructions thereon. Further, in September 2007, the Group acquired a land area of about 94,111 square metres on an auction sale by listing by Zhuhai State Land Resources Bureau, PRC. The land is located at DouMen of Zhuhai, PRC and will be developed into hotels, exhibition and shopping centers for letting purpose.

The Management believes that the above acquisitions will increase the Group's land portfolios for commercial purpose and strengthen its business in the field of property development in the PRC.

Hong Kong

During the year of 2007, the global economy remained positive and Hong Kong continued to benefit from the steady economic growth in the PRC. The investment properties in Hong Kong continued to maintain an average occupancy rate of 70% and generated a rental revenue of approximately HK\$12 million for the year ended 31 December 2007 (2006: HK\$11 million), with an increase of 9% as compared with 2006.

STEEL TRADING

The Group did not engage in steel trading during the year under review since the management adopted a prudent approach to minimize risk exposure of steel prices which fluctuated significantly. Indeed, the PRC continued to implement macroeconomic control measures to rein in economic development during 2007, with

bank borrowing rates raised and export tax rebate rates for steel products reduced. The management forecasted that the coming year would still be a hard time for international steel market and accordingly, much more effort has to be devoted to explore business opportunities.

PORTFOLIO INVESTMENTS

The Group continued to undertake portfolio investments during the year under review since the Group believes that substantial cash balances can be generated from time to time and limited portfolio investing activities will improve the return on cash balances and enhance the Group's profitability. However, the Hong Kong and other overseas stock markets were very volatile and vulnerable during the year and as a result, the Group only performed to a fair level when marking the investment portfolios to the market valuation as at 31 December 2007.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Hong Kong and Shanghai. As at 31 December 2007, the Group had outstanding bank and other loans amounting to approximately HK\$838 million (2006: HK\$859 million), which were secured by legal charges on certain investment properties and properties held for sale in Hong Kong and Shanghai. As at 31 December 2007, among the total outstanding bank borrowings, HK\$253 million (2006: HK\$203 million) are repayable within one year, HK\$62 million (2006: HK\$64 million) are repayable in the second year with the remaining balance repayable beyond the second year. The Group's cash and bank balances and short term bank deposits as at 31 December 2007 amounted to approximately HK\$299 million. The Group's gearing ratio as at 31 December 2007 was approximately 25% (2006: 29%) based on the total bank and other borrowings of approximately HK\$838 million (2006: HK\$859 million) and the aggregate of the shareholders' funds, minority interests and total bank borrowings of approximately HK\$3,328 million (2006: HK\$2,993 million).

PERSONNEL

As at 31 December 2007, the Group had a total of 410 employees, of whom 390 were based in the PRC and 20 in Hong Kong. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account current industry practices.

In addition to the provision of provident fund scheme, medical allowance, in-house and external training programs, discretionary bonus and share option scheme are also available to employees based on their performance. The remuneration policy and packages of the Group's employees are reviewed regularly.

PROSPECTS

Despite the global economy is generally affected by the continuing concerns about the adverse impact of the subprime credit crisis in the US economy, Hong Kong economy is expected to continue to benefit from the economic growth in the PRC for the year of 2008. Demand continued to outstrip supply in office sector, pushing up rents and occupancy rates in commercial districts. The Group will continue to enhance its investment portfolio through its progressive yet steady growth strategy, focused on seeking for good investment opportunities.

In 2007, the real estate industry in the PRC moved into the consolidation stage after the PRC had continued to implement macro-economic control measures on the real estate market. In fact, we are very optimistic about our serviced-apartment chain operation in Shanghai, as we have already established a firm footing and a strategic presence in Shanghai to deliver solid performance in this sector of business.

In February, 2008, the governments of Hong Kong, Guangdong Province and Macau had confirmed the financing scheme in respect of the construction of the Hong Kong, Zhuhai and Macau Bridge. The Group believes that the Bridge will fuel the further growth of Zhuhai and therefore our land banks after being fully developed will bring a promising significant profit to the Group. Further, we are confident that the Group has laid a solid foundation for transforming itself into an integrated real estate operator that develops and leases hotels, offices, residential and shopping malls.

CORPORATE GOVERNANCE REPORT

In the opinion of the directors, save as disclosed below, the Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2007.

- (a) Under the code provisions of A.4.1 and A.4.2, (i) non-executive directors should be appointed for a specific term and subject to re-election; and (ii) all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Non-executive directors do not have a specific term of appointment and under the Bye-laws of the Company, at each general meeting, one third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation save any director holding office as chairman and managing director. The Company intends to propose any amendment of relevant Bye-laws, if necessary, in order to ensure compliance with the Code on Corporate Governance Practices.

- (b) Under the code provision of A.2, the role of chairman and chief executive officer should be separated and should not be performed by the same individual.

The Company does not present have any officer with the title of “chief executive officer”. Mr. Lau Chi Yung, Kenneth is the chairman and managing director of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to respond promptly and efficiently.

MODEL CODE FOR DIRECTOR’S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Based on specific enquiry of all the directors of the Company, the directors have complied with the required standard as set out in the Model Code for the year ended 31 December 2007.

AUDIT COMMITTEE

The Audit Committee, comprising of three independent non-executive Directors, has already discussed with management of the Company about the accounting policies and internal controls system adopted by the Group and has reviewed the consolidated financial statements of the Group for the year ended 31 December 2007 before submitting to the Board for approval.

PURCHASES, SALES OR REDEMPTIONS OF THE COMPANY’S LISTED SECURITIES

During the year, there were no purchases, sales or redemptions of the Company’s listed securities by the Company or by any of its subsidiaries.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.irasia.com/listco/hk/multifield/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk). The annual report of the Company for 2007 containing all the information required by the Listing Rules will be dispatched to shareholders and made available on the above websites in due course.

BOARD OF DIRECTORS

As at the date hereof, the Board of Directors of the Company comprises five Directors of whom two are Executive Directors, namely Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi; and three Independent Non-executive Directors, namely Mr. Choy Tak Ho, Mr. Lee Siu Man, Ervin and Mr. Wong Yim Sum.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 23 April 2008