MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(the "Company")

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
REVENUE	3	**263,774**	77,319
Cost of sales		**(43,839)**	(43,033)
Gross profit		**219,935**	34,286
Other income and gains	3	**20,052**	20,729
Foreign exchange differences, net		**1,144**	(18,766)
Fair value gains on investment properties, net		**716,658**	1,332,783
Operating and administrative expenses		**(44,933)**	(46,869)
Finance costs	5	**(31,544)**	(27,453)
PROFIT BEFORE TAX	4	**881,312**	1,294,710
Income tax expense	6	**(196,558)**	(379,222)
PROFIT FOR THE YEAR		**684,754**	915,488

	Notes	**2016**	2015
		HK$'000	*HK$'000*
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		**–**	(1,727)
Reclassification adjustments for gains included in the consolidated statement of profit or loss – gain on disposal		**–**	(7,011)
		–	(8,738)
Exchange differences on translation of foreign operations		**(205,510)**	(191,089)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR		**(205,510)**	(199,827)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**479,244**	715,661
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**516,430**	659,603
Non-controlling interests		**168,324**	255,885
		684,754	915,488
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**369,094**	526,293
Non-controlling interests		**110,150**	189,368
		479,244	715,661
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	**HK12.35 cents**	HK15.78 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**327,870**	337,779
Investment properties		**8,210,402**	7,688,550
Prepaid land lease payments		**391**	400
Club debenture		**670**	670
Available-for-sale investments		**–**	–
Total non-current assets		**8,539,333**	8,027,399
CURRENT ASSETS			
Properties held for sale		**281,851**	281,851
Trade receivables	9	**13,725**	9,440
Prepayments, deposits and other receivables		**8,080**	10,400
Equity investments at fair value through profit or loss		**1,249,898**	1,129,176
Pledged deposits		**353**	564
Cash and cash equivalents		**437,286**	542,144
Total current assets		**1,991,193**	1,973,575
TOTAL ASSETS		**10,530,526**	10,000,974
CURRENT LIABILITIES			
Trade payables	10	**2,894**	906
Other payables and accruals		**198,061**	215,337
Deposits received		**56,417**	60,057
Derivative financial instruments		**–**	52,691
Interest-bearing bank and other borrowings		**2,052,054**	1,854,332
Tax payable		**47,899**	43,203
Total current liabilities		**2,357,325**	2,226,526
NET CURRENT LIABILITIES		**(366,132)**	(252,951)
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,173,201**	7,774,448

	2016	2015
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Amount due to a director	**1,772**	2,124
Deferred tax liabilities	**1,149,696**	1,023,490
Total non-current liabilities	**1,151,468**	1,025,614
Net assets	**7,021,733**	6,748,834
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**41,804**	41,804
Reserves	**5,631,391**	5,244,087
	5,673,195	5,285,891
Non-controlling interests	**1,348,538**	1,462,943
Total equity	**7,021,733**	6,748,834

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 ("HKICPA"), 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.

Going Concern

The Company and its subsidiaries (collectively referred to as the "Group") had net current liabilities of approximately HK$366,132,000 (2015: HK$252,951,000) at the end of the reporting period. Notwithstanding the above, the directors of the Company have prepared the financial statements on the going concern basis on the assumption that the Group will continue to operate as a going concern for the foreseeable future as Power Resources Holdings Limited has confirmed to provide necessary funds to the Group so as to enable the Group to discharge its obligations as and when they fall due.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 AND HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amorisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1.3 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.

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[2]
HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 7	*Disclosure Initiative*[1]
Amendments to HKAS 12	*Recognition of Deferral Tax Assets for Unrealised Losses*[1]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the Group.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licenses of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1 January 2018. During the year ended 31 December 2016, the Group performed a preliminary assessment on the impact of the adoption of HKFRS 15.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1 January 2019 and is currently assessing the impact of HKFRS 16 upon adoption.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into four (2015: four) reportable operating segments as follows:

(a) the property investment segment mainly comprises rental income from investment properties;

(b) the provision of serviced apartment and property management services segment;

(c) the trading and investments segment includes the trading of securities and investment income from securities investment and investment holding; and

(d) the corporate and others segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from operations. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax from operations except that interest income from loans and receivables, fair value gains/losses on investment properties, finance costs and other gains are excluded from such measurement.

Segment liabilities exclude interest-bearing bank and other borrowings, amount due to a director, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

There are no sales or other transactions between the operating segments during the year (2015: Nil).

Years ended 31 December 2016 and 2015

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Corporate and others		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Revenue from external customers	**184,756**	191,508	**28,710**	24,121	**50,308**	(138,310)	**–**	–	**263,774**	77,319
Segment results	**141,585**	133,531	**(823)**	1,171	**54,797**	(151,249)	**(19,413)**	(14,802)	**176,146**	(31,349)
Reconciliation:										
Interest income from loans and receivables									**1,631**	2,584
Fair value gains on investment properties, net	**716,658**	1,332,783	**–**	–	**–**	–	**–**	–	**716,658**	1,332,783
Other gains									**18,421**	18,145
Finance costs									**(31,544)**	(27,453)
Profit before tax									**881,312**	1,294,710

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Corporate and others		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**8,962,381**	8,442,922	**58,330**	55,219	**1,349,840**	1,270,530	**159,975**	232,303	**10,530,526**	10,000,974
Total assets									**10,530,526**	10,000,974
Segment liabilities	**158,498**	164,303	**26,439**	17,163	**119**	69,713	**11,464**	13,947	**196,520**	265,126
Reconciliation:										
Unallocated liabilities									**3,312,273**	2,987,014
Total liabilities									**3,508,793**	3,252,140
Other segment information:										
Depreciation and amortisation	**5,563**	4,686	**1,064**	907	**–**	–	**777**	847	**7,404**	6,440
Fair value gains on investment properties, net	**716,658**	1,332,783	**–**	–	**–**	–	**–**	–	**716,658**	1,332,783
Fair value losses on equity investments at fair value through profit or loss, net	**–**	–	**–**	–	**(49,101)**	(130,326)	**–**	–	**(49,101)**	(130,326)
Fair value gains/(losses) on derivative financial instruments	**–**	–	**–**	–	**52,691**	(52,691)	**–**	–	**52,691**	(52,691)
Capital expenditure*	**82,943**	16,834	**47**	1,229	**–**	–	**7**	23	**82,997**	18,086

* Capital expenditure consists of additions to property, plant and equipment and investment properties.

Geographical information

(a)

	Hong Kong		Mainland China		Total	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**120,203**	(72,756)	**143,571**	150,075	**263,774**	77,319

The revenue information above is based on the locations of the customers. No single external customer accounted for 10% or more of the total revenue for the years ended 31 December 2016 and 2015.

(b)

	Hong Kong		Mainland China		Total	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Non-current assets	**2,904,519**	2,634,631	**5,634,144**	5,392,098	**8,538,663**	8,026,729

The non-current asset information above is based on the locations of assets and excludes financial instruments.

3. REVENUE, OTHER INCOME AND GAINS

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

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Rental income from property letting	**184,756**	191,508
Serviced apartment and property management	**28,710**	24,121
Fair value losses on equity investments at fair value through profit or loss, net	**(49,101)**	(130,326)
Fair value gains/(losses) on derivative financial instruments	**52,691**	(52,691)
Dividend income from listed investments	**46,718**	31,226
Interest income from available-for-sale investments	**–**	13,481
	263,774	77,319
Other income and gains		
Interest income from loans and receivables	**1,631**	2,584
Gain on disposal of items of property, plant and equipment	**500**	263
Fair value gains on available-for-sale investments (transfer from equity on disposal)	**–**	7,011
Others	**17,921**	10,871
	20,052	20,729

4. PROFIT BEFORE TAX

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

	2016	2015
	HK$'000	*HK$'000*
Cost of services provided	**43,839**	43,033
Depreciation	**7,395**	6,432
Amortisation of prepaid land lease payments	**9**	8
Minimum lease payments under operating leases for land and buildings	**182**	214
Auditors' remuneration – audit service	**680**	680
Gain on disposal of property, plant and equipment	**(500)**	(263)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**27,039**	21,257
Foreign exchange differences, net	**(1,144)**	18,766
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	**25,176**	23,583
Pension scheme contributions (defined contribution scheme) *(Note)*	**270**	246
Total staff costs	**25,446**	23,829

Note:

At 31 December 2016, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2015: Nil).

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2016	2015
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans	**31,544**	27,453

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China, in which the Group operates.

	2016	2015
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**6,203**	5,738
(Over)/under provision in prior years	**(8)**	513
Current – Mainland China		
Charge for the year	**12,654**	14,096
Deferred tax	**177,709**	358,875
Total tax charge for the year	**196,558**	379,222

7. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Interim dividend – HK0.6 cents (2015: HK0.6 cents) per ordinary share	**25,082**	25,082
Proposed final dividend – HK0.75 cents (2015: HK0.7 cents) per ordinary share	**31,353**	29,263
	56,435	54,345

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 26 May 2017, dividend warrants will be posted on or about 22 June 2017 to shareholders whose names appear on the register of members of the Company on 2 June 2017.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of approximately HK$516,430,000 (2015: HK$659,603,000) and the weighted average number of ordinary shares of 4,180,371,092 (2015: 4,180,371,092) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2016 and 2015.

9. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**19,507**	15,226
Impairment	**(5,782)**	(5,786)
	13,725	9,440

Trade receivables mainly consists of receivables from 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 does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

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

	2016	2015
	HK$'000	*HK$'000*
Within 1 month	**2,404**	1,814
1 to 2 months	**1,447**	741
2 to 3 months	**1,209**	611
Over 3 months	**8,665**	6,274
	13,725	9,440

The movements in provision for impairment of trade receivables are as follows:

	2016	2015
	HK$'000	*HK$'000*
At 1 January	**5,786**	5,789
Amount written off as uncollectible	**(4)**	(3)
At 31 December	**5,782**	5,786

At 31 December 2016, included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of approximately HK$5,782,000 (2015: HK$5,786,000) with a carrying amount before provision of approximately HK$5,782,000 (2015: HK$5,786,000). The individually impaired trade receivables relate to customers that were in default of payments.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2016	2015
	HK$'000	*HK$'000*
Neither past due nor impaired	**2,404**	1,814
Less than 1 month past due	**1,447**	741
1 to 3 months past due	**1,209**	611
Over 3 months past due	**8,665**	6,274
	13,725	9,440

Receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. TRADE PAYABLES

An aged analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 1 month	**2,376**	519
1 to 2 months	**351**	75
2 to 3 months	**13**	21
Over 3 months	**154**	291
	2,894	906

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

11. EVENTS AFTER THE REPORTING PERIOD

On 22 March 2017, the Group entered into a provisional agreement for sale and purchase to acquire the entire issued and outstanding share capital in Rich Century Development Limited ("Rich Century") for a consideration of HK$55 million which is principally engaged in property investment and hold a property located in Hong Kong. Upon completion, Rich Century will become an indirect non-wholly-owned subsidiary of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(i) from Tuesday, 23 May 2017 to Friday, 26 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 22 May 2017; and

(ii) from Monday, 5 June 2017 to Wednesday, 7 June 2017, 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, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 2 June 2017.

REVIEW OF OPERATION

During the year under review, the Group recorded a net profit of approximately HK$685 million (2015: HK$915 million).

The Group's rental income in Hong Kong recorded an increase of approximately 5%.

The Group's rental income from hotel-serviced apartments and villas in Shanghai recorded a decrease of approximately 10%, due to a decrease in occupancy rate.

The Group's equity investments recorded fair value losses of approximately HK$49 million (2015: loss of HK$130 million), and derivative financial instruments recorded fair value gains of approximately HK$53 million (2015: loss of HK$53 million). Equity investments recorded dividend income of approximately HK$47 million (2015: HK$31 million).

As disclosed in the Company's announcement dated 24 June 2016, a deferred tax credit of approximately HK$253 million was credited to the profit or loss account for the six months ended 30 June 2016 for an investment property in Mainland China, due to the change of business intention and business model aiming for long-term investments and rental purposes rather than through sale.

As the fair value gain in of investment properties held by the Group is significantly lower (approximately 46%) than that for year 2015, the Group's consolidated profit after tax for the year ended 31 December 2016 is significantly lower (approximately 25%) than that for the corresponding period in year 2015.

PROPERTY INVESTMENT

Hong Kong

The Group's investment properties in Hong Kong mainly comprise of office buildings, industrial buildings, retail shops and car parks. Benefited from increase in property market price in Hong Kong in 2016, the Group's investment properties portfolio contributed stable rental revenue of approximately HK$69 million in 2016 (2015: HK$66 million).

The Group's construction site at 54 Wong Chuk Hang Road, Hong Kong has completed the superstructure. The construction of the new building is expected to be completed in year 2017/2018. It is expected that the new building will provide a new and stable source of income to the Group.

Shanghai, China

The Group's properties portfolio in Shanghai, China is divided into three residential complexes, comprising of around 182 blocks of hotel-serviced villas and 132 hotel-serviced apartments respectively. The properties in Shanghai are operated under the name of "Windsor Renaissance", which is regarded as a symbol of high quality villas and hotel-serviced apartments in Shanghai, and are well recognised by consulates and foreign business entities. The Shanghai properties has an average occupancy rate of approximately 85%, and generates rental and management fee revenue of approximately HK$143 million in 2016 (2015: HK$150 million).

Zhuhai, China

There are two land banks in Zhuhai, China.

The Group's a parcel of commercial use land located in Qianshan District, Zhuhai, the PRC is now under relocation progress. In July 2015, there was a new relocation policy, and the responsibility of relocation was changed from the land department to the local district government. The Group will support the local district government on the relocation work, and had recently submitted a proposal to the local government for the relocation.

Regarding the Group's another parcel of hotel and commercial use land located in Doumen district, Zhuhai, the PRC ("Doumen Land"), the Group had received a letter from the Zhuhai Land Reserve Centre in July 2016 which mentioned that there was change in town planning on the Doumen Land, and we were no longer allowed to build hotels and shopping mall on the Doumen Land. The Zhuhai government purported to buy back the Doumen Land from the Group. Or alternatively by exchange of land. To protect the interests of the Company and its shareholders, the Group had already appointed Chinese lawyers to investigate and deal with the related matters, and will take legal action if necessary.

FINANCIAL INVESTMENTS

Worldwide economy and stocks market were volatile in 2016.

As of 31 December 2016, the Group held approximately HK$1,250 million (2015: HK$1,129 million) of highly liquid equity investments, which mainly consisted of blue chips stocks and Exchange Traded Funds listed in Hong Kong. The equity and bonds investments were held by the Group in long-term for investment purpose and receiving dividend income.

The Group's equity investments recorded a net fair value losses of approximately HK$49 million (2015: loss of HK$130 million) when marking the investment portfolios to market valuation as of 31 December 2016, along with dividend income of approximately HK$47 million (2015: HK$31 million).

The equity investments held by the Group as at 31 December 2016 were as follows:

Stock Code	Company Name	Number of shares held as at 31 December 2016	Percentage of shareholding as at 31 December 2016	Fair value gain/(loss) for the year ended 31 December 2016	Dividend income for the year ended 31 December 2016	Fair value/ carrying amount as at 31 December 2016
		'000	*%*	*HK$'000*	*HK$'000*	*HK$'000*
2800	Tracker Fund of Hong Kong	16,250	0.45	(18,680)	12,408	359,125
5	HSBC Holdings plc	5,477	0.03	1,755	11,502	340,946
2828	Hang Seng H-Share Index ETF	2,644	0.56	(30,967)	9,398	251,482
3988	Bank of China Limited	29,300	0.04	(586)	6,064	100,792
2388	BOC Hong Kong (Holdings) Limited	2,500	0.02	10,125	4,835	69,375
3188	ChinaAMC CSI 300 Index ETF	500	0.18	(5,820)	317	18,825
941	China Mobile Limited	340	0.00	(1,802)	913	27,948
2628	China Life Insurance Company Limited	1,000	0.01	(4,850)	497	20,200
	Other listed securities#			1,724	784	61,205
				(49,101)	46,718	1,249,898

Other listed securities mainly represented the Group's investment in 18 companies whose shares were mainly listed on the Main Board of The Stock Exchange of Hong Kong Limited. The carrying value of each of these investments represented less than 1% of the total assets of the Group as at 31 December 2016.

As at 31 December 2016, the equity investments mainly represented listed securities in Hong Kong. The board of Directors (the "Board") acknowledges that the performance of the equity investments may mainly be affected by worldwide economy and the degree of volatility in the Chinese and Hong Kong stock markets, and susceptible to other external factors that may affect their values. In order to mitigate possible financial risk related to the equity investments, the management will closely monitor the performance of respective equity investments and the changes of market condition. The Company will adjust the Company's portfolio of investments as the Board considers appropriate.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 16 February 2016, an indirect wholly-owned subsidiary of the Group entered into an agreement with Unipower Limited, Peaceton Development Limited, Honorway Nominees Limited and Mr. Liang Chong Wai to acquire additional 30% of the entire issued share capital of Kiuson Development Limited at a consideration of HK$152,000,000 and was funded by internal resources. The equity interest in Kiuson Development Limited held by the Group was increased from 46.62% to 76.62% with effect from and upon the completion of acquisition on 16 February 2016. Details of the transaction were disclosed in the Company's announcement dated 16 February 2016.

Save as disclosed above, the Group had no other material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2016.

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi, Hong Kong dollar and the United States dollar. The Group is exposed to foreign exchange risk with respect mainly to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group and when appropriate hedge its currency risk.

As of 31 December 2016, the Group had not entered into any financial instrument for foreign currency hedging purpose.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities provided by principal bankers in Hong Kong. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments of approximately HK$1,250 million (2015: HK$1,129 million) as of 31 December 2016. The Group's cash and cash equivalents as of 31 December 2016 amounted to approximately HK$437 million (2015: HK$542 million).

As of 31 December 2016, the Group had total bank and other borrowings amounting to approximately HK$2,052 million (2015: HK$1,854 million), which were secured by legal charges on the Group's certain investment properties in Hong Kong and Shanghai, and certain equity investments. The Group's bank borrowings were mainly arranged on a floating rate basis. The maturity of bank and other borrowings of the Group as at 31 December 2016 was as follows:

	HK$'000
Within one year	1,494
In the second year	427
In the third to fifth years, inclusive	131
Total	2,052

With the total bank and other borrowings of approximately HK$2,052 million (2015: HK$1,854 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK$9,074 million (2015: HK$8,603 million), the Group's gearing ratio as at 31 December 2016 was around 23% (2015: 22%).

CONTINGENT LIABILITY

As of 31 December 2016, the Group had no material contingent liability.

COMMITMENTS

As at 31 December 2016, the Group had committed payment for the construction and land development expenditure amounting to approximately HK$243 million (2015: HK$280 million).

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2016, the Group had approximately 220 employees in Shanghai, Zhuhai and Hong Kong. During the year, the staff costs (including directors' emoluments) amounted to approximately HK$25 million (2015: HK$24 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including directors and senior management), their performance, experience and the prevailing market condition are considered mainly. In addition to salaries, provident fund scheme, discretionary bonuses and tuition/training subsidies are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his own remuneration.

PROSPECT

The US Federal Reserve had increased the interest rate again in December 2016 and March 2017. As Hong Kong dollar is pegged to the US dollar, Hong Kong may follow to increase its interest rate in the future. These may exert pressure on price on equity investments held by the Group, particular in high-yield equity investments. Besides, the slowdown in growth of Chinese economy may have a significant impact on Hong Kong's rental market.

The investment properties (particularly the small-sized residential units) in Hong Kong had recorded increase in market value in 2016. On 4 November 2016, the Hong Kong government announced that the Stamp Duty Ordinance would be amended to increase the ad valorem stamp duty rates for residential property transactions to a flat rate of 15%. Facing the new government policy and with the conditions for potential interest rate increase, investment properties in Hong Kong held by the Group might record decrease in market value as compared to the increase in previous years.

Mainland China's economic growth has slowed down, with the Chinese government targeting an approximately 6.5% GDP growth rate for 2017. In addition to the potential depreciation of Renminbi, retreat of foreign investments from Mainland China and intensive competition in rental business in Mainland China, these may exert pressure on the revenue from provision of hotel-serviced villas, apartments and property management services in Mainland China. Despite of Mainland China's possible slower than expected economic growth, inflationary pressure on salaries, utilities expenses, properties renovation and quality enhancement expenses remains a key challenge to the Group.

On 1 May 2016, the final phase of the transition from the Business Tax to Value Added Tax regime took effect and became applicable to the real estate sector, among other industries. The Group had taken appropriate measures to ensure a smooth transition to the new tax regime.

The worldwide economy (especially Chinese and Hong Kong's economy) is performing more and more volatile, with regard to uncertainties brought by policy-driven markets. The Group will adopt its usual prudent capital and funding management to meet the challenges ahead, while strengthening the rental and property development businesses, and seizing further investment opportunities.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events subsequent to the reporting date are set out in Note 11.

CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company (the "Director(s)"), the Company has applied the principals and complied with code provisions of the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2016, save as disclosed below.

Under code provisions A.4.1 and A.4.2, (i) non-executive directors should be appointed for a specific term, subject to re-election; and (ii) all directors appointed to fill a causal vacancy should be subjected to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subjected 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 of the Company, if necessary, in order to ensure compliance with the Code.

The code provision A.6.7 of the Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the view of shareholders. Mr. Lee Siu Man, Ervin the independent non-executive director was unable to attend the annual general meeting of the Company held on 26 May 2016 due to his other business commitments.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules. The audit committee's terms of reference includes those specific duties as set out in the code provision C.3.3 of the Code.

As of the date of this announcement, the audit committee comprises three independent non-executive Directors, namely, Mr. Lee Siu Man, Ervin, Mr. Wong Yim Sum and Mr. Tsui Ka Wah. The chairman of the audit committee, Mr. Wong Yim Sum, has extensive experience in the finance and auditing fields.

In the presence of the representatives of the Company's independent external auditors, the Group's draft audited consolidated financial statements for the year ended 31 December 2016 have been reviewed by the audit committee, and with recommendation to the Board for approval.

REVISION OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of references of audit committee were revised on 22 August 2016 to reflect the additional responsibilities of the audit committee arising from the Stock Exchange of Hong Kong Limited's amendments to risk management and internal control under the Code applicable to listed companies with an accounting period beginning on or after 1 January 2016.

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") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Based on specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code for the year ended 31 December 2016.

CHANGES IN THE INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to rule 13.51B(1) of the Listing Rules, changes in the information of directors of the Company since the date of the annual report 2015 of the Company required to be disclosed in this report is as follow:

– The Director's fees of Mr. Lo Yick Wing, Mr. Wong Yim Sum, Mr. Lee Siu Man, Ervin and Mr. Tsui Ka Wah have been revised to HK$7,000 per month, with effective from 1 April 2016.

CHANGE OF DIRECTORS

Due to other business commitments, Mr. Lo Yick Wing tendered his retirement as an independent non-executive director of the Company at the conclusion of the 2016 annual general meeting held on 26 May 2016 and, ipso facto, resigned as a member of audit committee, a member of nomination committee and a member of remuneration committee of the Company on and with effect from 26 May 2016.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of listed securities of the Company during the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement of the Company is published on the websites of the Company (www.irasia.com/listco/hk/multifield/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for 2016 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

BOARD OF DIRECTORS

As of the date of this announcement, the executive Directors are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive Directors are Mr. Lee Siu Man, Ervin, Mr. Wong Yim Sum and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 30 March 2017