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MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	2020 HK\$'000	2019 HK\$'000
REVENUE	3	78,011	312,930
Cost of sales		<u>(50,703)</u>	<u>(50,208)</u>
Gross profit		27,308	262,722
Other income and gains	3	17,247	19,268
Foreign exchange differences, net		5,487	(1,709)
Fair value gains on investment properties, net		53,669	386,201
Operating and administrative expenses		(44,378)	(43,380)
Finance costs	5	<u>(30,999)</u>	<u>(49,575)</u>
PROFIT BEFORE TAX	4	28,334	573,527
Income tax (expense)/credit	6	<u>(21,310)</u>	<u>35,163</u>
PROFIT FOR THE YEAR		<u>7,024</u>	<u>608,690</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		37,355	530,993
Non-controlling interests		<u>(30,331)</u>	<u>77,697</u>
		<u>7,024</u>	<u>608,690</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>HK0.89 cents</u>	<u>HK12.70 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
PROFIT FOR THE YEAR	7,024	608,690
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>332,883</u>	<u>(100,528)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>339,907</u>	<u>508,162</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the Company	292,559	459,223
Non-controlling interests	<u>47,348</u>	<u>48,939</u>
	<u>339,907</u>	<u>508,162</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		207,737	205,963
Investment properties		10,652,048	10,192,796
Right-of-use assets		357	366
Club debenture		330	670
		<hr/>	<hr/>
Total non-current assets		10,860,472	10,399,795
CURRENT ASSETS			
Properties held for sale		281,851	281,851
Trade receivables	9	7,014	3,888
Prepayments, deposits and other receivables		246,675	230,732
Equity investments at fair value through profit or loss		869,520	1,043,987
Cash and cash equivalents		466,777	538,641
		<hr/>	<hr/>
Total current assets		1,871,837	2,099,099
		<hr/>	<hr/>
TOTAL ASSETS		12,732,309	12,498,894
CURRENT LIABILITIES			
Trade payables	10	2,803	2,039
Other payables and accruals		186,487	166,808
Deposits received		63,970	58,954
Interest-bearing bank and other borrowings		1,226,653	722,083
Tax payable		53,813	53,523
		<hr/>	<hr/>
Total current liabilities		1,533,726	1,003,407
		<hr/>	<hr/>
NET CURRENT ASSETS		338,111	1,095,692
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,198,583	11,495,487
		<hr/>	<hr/>

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	400,000	1,110,000
Amount due to a director	102,813	57,092
Deferred tax liabilities	<u>1,276,422</u>	<u>1,196,699</u>
 Total non-current liabilities	 <u>1,779,235</u>	 <u>2,363,791</u>
 Net assets	 <u>9,419,348</u>	 <u>9,131,696</u>
 EQUITY		
Equity attributable to owners of the Company		
Issued capital	41,804	41,804
Reserves	<u>7,539,203</u>	<u>7,361,816</u>
 Non-controlling interests	 <u>7,581,007</u>	 <u>7,403,620</u>
	<u>1,838,341</u>	<u>1,728,076</u>
 Total equity	 <u>9,419,348</u>	 <u>9,131,696</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 (“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.

Basis of consolidation

The consolidated financial statements include the financial statements of Multifield International Holdings Limited (“the Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020. 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 in the accounting policy for subsidiaries below. 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 *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year’s consolidated financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

Conceptual Framework for Financial Reporting 2018 (the “Conceptual Framework”)

The Conceptual Framework sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

Amendments to HKAS 1 and HKAS 8

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

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 consolidated financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform - Phase 2¹</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁵</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions⁴</i>
HKFRS 17	<i>Insurance contracts³</i>
Amendments to HKFRS 17	<i>Insurance Contracts^{3, 7}</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current^{3, 6}</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use²</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract²</i>
<i>Annual Improvements to HKFRSs 2018 - 2020</i>	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41²</i>

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

⁴ Effective for annual periods beginning on or after 1 June 2020

⁵ No mandatory effective date yet determined but available for adoption

⁶ As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

⁷ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

The Group had certain interest-bearing bank and other borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate (“HIBOR”) as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the “economically equivalent” criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

Amendments to HKAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity’s right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the consolidated financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s consolidated financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into three (2019: three) 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; and
- (c) the trading and investments segment includes the trading of securities and investment income from securities investment and investment holding.

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. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that unallocated corporate expenses, interest income from bank deposits, fair value gains/losses on investment properties, non-lease-related finance costs and other gains are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets.

Segment liabilities exclude interest-bearing bank and other borrowings (other than lease liabilities), amount due to a director, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities are managed as these liabilities on a group basis.

There are no sales or other transactions between the operating segments during the year (2019: Nil).

Years ended 31 December 2020 and 2019

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Revenue from external customers	<u>193,984</u>	<u>185,565</u>	<u>36,127</u>	<u>33,679</u>	<u>(152,100)</u>	<u>93,686</u>	<u>78,011</u>	<u>312,930</u>
Segment results	<u>161,222</u>	<u>156,509</u>	<u>(3,353)</u>	<u>(4,650)</u>	<u>(156,279)</u>	<u>82,950</u>	<u>1,590</u>	<u>234,809</u>
<i>Reconciliation:</i>								
Unallocated corporate expenses							(13,173)	(17,176)
Interest income on bank deposits							2,792	3,478
Fair value gains on investment properties, net	53,669	386,201	-	-	-	-	53,669	386,201
Other gains							14,455	15,790
Finance costs							(30,999)	(49,575)
Profit before tax							<u>28,334</u>	<u>573,527</u>

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	11,104,346	10,936,713	37,864	46,830	970,371	1,143,806	12,112,581	12,127,349
Corporate and unallocated assets							619,728	371,545
Total assets							12,732,309	12,498,894
Segment liabilities	219,334	152,787	22,989	28,378	52	75	242,375	181,240
<i>Reconciliation:</i> Corporate and unallocated liabilities							3,070,586	3,185,958
Total liabilities							3,312,961	3,367,198

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Unallocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:										
Depreciation and amortisation	3,266	4,758	1,093	413	-	-	12	29	4,371	5,200
Fair value gains on investment properties, net	53,669	386,201	-	-	-	-	-	-	53,669	386,201
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	-	-	-	-	(174,467)	38,756	-	-	(174,467)	38,756
Capital expenditure*	7	133,007	-	12	-	-	86	7	93	133,026

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

Geographical information

(a)	Hong Kong		Mainland China		Total	
	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>(81,947)</u>	<u>166,463</u>	<u>159,958</u>	<u>146,467</u>	<u>78,011</u>	<u>312,930</u>

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 2020 and 2019.

(b)	Hong Kong		Mainland China		Malaysia		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets	<u>4,079,636</u>	<u>4,029,347</u>	<u>6,652,748</u>	<u>6,243,320</u>	<u>128,088</u>	<u>126,458</u>	<u>10,860,472</u>	<u>10,399,125</u>

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

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020 HK\$'000	2019 HK\$'000
<i>Revenue from contracts with customers</i>		
Serviced apartment and property management services	<u>36,127</u>	<u>33,679</u>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	<u>193,984</u>	<u>185,565</u>
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	<u>(174,467)</u>	<u>38,756</u>
Dividend income from listed investments	<u>22,367</u>	<u>54,930</u>
	<u>78,011</u>	<u>312,930</u>

Other income and gains

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Government grants and subsidies	9,662	9,122
Interest income earned on bank balances	2,792	3,478
(Loss)/gain on disposal of items of property, plant and equipment, net	(5)	1,880
Others	4,798	4,788
	<u>17,247</u>	<u>19,268</u>

During the current year, the Group recognised government grants of approximately HK\$1,438,000 in respect of Covid-19 related subsidies, of which approximately HK\$1,418,000 relates to Employment Support Schemes provided by the Hong Kong government. Various government grants have been received for tax refunded. There are no unfulfilled conditions or contingencies relating to these grants.

4. PROFIT BEFORE TAX

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Auditor's remuneration – audit services	1,050	1,050
Auditor's remuneration – non-audit services	300	–
Cost of services provided	50,703	50,208
Depreciation of property, plant and equipment	4,362	5,191
Depreciation of right-of-use assets	9	9
Expense relating to short-term leases not included in the measurement of lease liabilities	146	121
Impairment of club debenture (<i>Note (i)</i>)	340	–
Loss/(gain) on disposal of property, plant and equipment	5	(1,880)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	31,006	30,398
Foreign exchange differences, net	(5,487)	1,709
	<u>29,473</u>	<u>29,465</u>
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	27,617	25,613
Pension scheme contributions (defined contribution scheme) (<i>Note (ii)</i>)	1,856	3,852
	<u>29,473</u>	<u>29,465</u>

Notes:

- (i) The directors of the Company consider HK\$340,000 (2019: Nil) impairment identified with reference to the second hand market price at the club debenture as at 31 December 2020.
- (ii) At 31 December 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2019: Nil).

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on bank loans, overdrafts and other loans	30,999	49,575

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 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 rate of tax prevailing in Mainland China, in which the Group operates.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	3,245	2,518
(Over)/under provision in prior years	(60)	525
Current – Elsewhere		
Charge for the year	–	–
Under provision in prior years	30	–
Current – Mainland China		
Charge for the year	14,031	11,688
Deferred tax	<u>4,064</u>	<u>(49,894)</u>
Total tax charge/(credit) for the year	<u><u>21,310</u></u>	<u><u>(35,163)</u></u>

7. DIVIDENDS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interim dividend – HK0.50 cents (2019: HK0.60 cents) per ordinary share	20,902	25,082
Proposed final dividend – HK0.50 cents (2019: HK0.75 cents) per ordinary share	<u>20,902</u>	<u>31,353</u>
	<u><u>41,804</u></u>	<u><u>56,435</u></u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 27 May 2021, dividend warrants will be posted on or about 24 June 2021 to shareholders whose names appear on the register of members of the Company on 4 June 2021.

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\$37,355,000 (2019: approximately HK\$530,993,000) and the weighted average number of ordinary shares of 4,180,371,092 (2019: 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 2020 and 2019.

9. TRADE RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables	7,014	3,888
Less: loss allowance	<u>—</u>	<u>—</u>
	<u>7,014</u>	<u>3,888</u>

Trade receivables mainly consists of receivables from property management services and rental receivables, 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 ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 1 month	1,820	2,100
1 to 2 months	989	899
2 to 3 months	151	233
Over 3 months	<u>4,054</u>	<u>656</u>
	<u>7,014</u>	<u>3,888</u>

10. TRADE PAYABLES

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 1 month	2,803	1,997
1 to 2 months	–	–
2 to 3 months	–	–
Over 3 months	–	42
	<u>2,803</u>	<u>2,039</u>

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

CLOSURE OF REGISTER OF MEMBERS

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

- (i) from Monday, 24 May 2021 to Thursday, 27 May 2021, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 21 May 2021; and
- (ii) from Wednesday, 2 June 2021 to Friday, 4 June 2021, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 1 June 2021.

REVIEW OF OPERATION

During the year under review, the Group recorded a net profit of approximately HK\$7 million (2019: HK\$609 million).

The Group's rental income in Hong Kong recorded an decrease of approximately 4% (2019: increase of 4%).

The Group's rental income from hotel-serviced apartments and villas in Shanghai recorded a increase of approximately 10% (2019: decrease of 4%).

The Group's equity investments recorded fair value loss of approximately HK\$174 million (2019 gain of HK\$39 million). Equity investments recorded dividend income of approximately HK\$22 million (2019: HK\$55 million).

As the fair value gain of investment properties held by the Group is significantly lower (approximately 86%) than that for year 2019, the Group's consolidated profit after tax for the year ended 31 December 2020 is lower (approximately 99%) than that for the corresponding period in year 2019.

PROPERTY INVESTMENT

Hong Kong

The Group's investment properties in Hong Kong mainly comprise of office buildings, industrial buildings, retail shops and car parks. The Group's investment properties portfolio contributed stable rental revenue of approximately HK\$69 million in 2020 (2019: HK\$72 million).

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 have an average occupancy rate of approximately 88%, and generates rental and management fee revenue of approximately HK\$159 million in 2020 (2019: HK\$146 million).

Zhuhai, China

Zhuhai Qianshan

The Group's 36,808 square meters of commercial-use land in Qianshan, Zhuhai (the "**Qianshan Land**") is under relocation progress. The town plan previously proposed by the Group, which aimed at facilitating the relocation of existing residents residing on the Qianshan Land, is currently under consideration by the relevant government authorities.

Zhuhai Doumen

The Group received a letter from 珠海市自然資源局 (literally translated as Zhuhai Municipal Natural Resources Bureau, the "**Natural Resources Bureau**") dated 18 December 2020, according to which the Natural Resources Bureau offered to revise the amount of compensation for the Group in connection with the resumption of the parcel of exhibition and commercial-use land located in Doumen, Zhuhai (the "**Doumen Land**") which was previously owned by the Group.

The management considered that the valuation methodology employed by the valuer who was engaged by the Natural Resources Bureau, on which the revised amount of compensation was based, caused an underestimation of the value of the Doumen Land and thus was unfair to the Group. To protect the Group's legitimate interests, the management requested the Natural Resources Bureau to convene a hearing regarding its latest offer. The hearing took place on 2 February 2021, at which the Natural Resources Bureau decided not to revise its latest offer. Currently, the Group has rights to apply for administrative reconsideration to 珠海市人民政府 (literally translated as The People's Government of Zhuhai Municipality) and to initiate an administrative proceeding with 金灣區人民法院 (literally translated as the Jinwan District People's Court) regarding the Natural Resources Bureau's decision within the relevant time frames.

As of the date of approval of these consolidated financial statements, the Group has not reached an agreement with the Natural Resources Bureau on the amount of the compensation regarding the resumption of the Doumen Land. Nevertheless, no material negative impact on the daily operations and the financial position of the Group is expected.

FINANCIAL INVESTMENTS

Worldwide economy and stocks markets were volatile in 2020.

As of 31 December 2020, the Group held approximately HK\$870 million (2019: HK\$1,044 million) of highly liquid equity investments, which mainly consisted of blue chips stocks and Exchange Traded Funds listed in Hong Kong. The equity investments were held by the Group for long-term investment purpose and to receive dividend income.

The Group's equity investments recorded a net fair value loss of approximately HK\$174 million (2019: gain of HK\$39 million) when marking the investment portfolios to market valuation as of 31 December 2020, and dividend income of approximately HK\$22 million (2019: HK\$55 million).

The equity investments held by the Group as at 31 December 2020 were as follows:

Stock Code	Company Name	Principal Business	Number of shares held as at 31 December 2020	Percentage of shareholding as at 31 December 2020	Investment cost	Realised gain	Unrealised loss	Dividend income	Fair value/ carrying amount as at 31 December 2020	Percentage to the Company's total asset as at 31 December 2020
						on change in fair value for the year ended 31 December 2020	on change in fair value for the year ended 31 December 2020			
			31 December 2020	31 December 2020	Investment cost	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
2800	Tracker Fund of Hong Kong	Collective investment fund, structured as a unit trust established under Hong Kong law, provide investment results that closely correspond to the performance of the Hang Seng Index.	7,850	0.21	196,381	-	(8,243)	5,887	215,090	1.69
5	HSBC Holdings plc	Banking and financial services, manages its products and services through four businesses: Retail Banking and Wealth Management (RBWM), Commercial Banking (CMB), Global Banking and Markets (GB&M), and Global Private Banking (GPB)	5,743	0.03	385,760	-	(115,427)	-	234,013	1.84
2828	Hang Seng China Enterprises Index ETF	Sub-fund of the Hang Seng Investment Index Funds Series, a unit trust established as an umbrella fund under the laws of Hong Kong, which aims to match, before expenses, as closely as practicable the performance of the Hang Seng China Enterprises Index.	2,664	1.12	337,354	-	(12,521)	7,246	289,577	2.28

Stock Code	Company Name	Principal Business	Number of shares held as at 31 December 2020	Percentage of shareholding as at 31 December 2020	Investment cost	Realised	Unrealised	Dividend income for the year ended 31 December 2020	Fair value/ carrying amount as at 31 December 2020	Percentage to the Company's total asset as at 31 December 2020
						on change in fair value for the year ended 31 December 2020	loss on change in fair value for the year ended 31 December 2020			
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
3988	Bank of China Limited	Banking and financial services, a China-based company principally engage in the provision of banking and related financial services.	29,300	0.04	101,558	–	(19,924)	6,133	77,645	0.61
941	China Mobile Limited	Telecommunication and Services, a China-based company principally engage in telecommunication and related businesses including mobile businesses, wireline Broadband businesses and Internet of Things (IoT) businesses.	340	0.00	31,219	–	(7,242)	1,106	15,028	0.12
2628	China Life Insurance Company Limited	Life insurance, a China-based company principally engage provides a range of insurance products, including individual and group life insurance, health insurance and accident insurance products.	1,000	0.01	29,741	–	(4,550)	800	17,100	0.13
857	PetroChina Co. Ltd.	Petroleum and gases, a China-based company principally engage in the production and distribution of oil and gas.	2,378	0.01	24,819	–	(3,590)	405	5,707	0.04
	Other listed securities [#]				56,014	–	(2,970)	790	15,360	0.12
						–	(174,467)	22,367	869,520	6.83

Other listed securities mainly represented the Group's investment in 13 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 2020.

As at 31 December 2020, the equity investments mainly represented listed securities in Hong Kong. The Board acknowledges that the performance of the equity investments may be affected by worldwide economy, 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 in market condition. The Group will adjust the Group's portfolio of investments as the Board considers appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Group Reorganisation

According to the master agreement (the "**Master Agreement**") entered by the Company and Oriental Explorer Holdings Limited ("**Oriental Explorer**") on 11 June 2020, (i) the Oriental Explorer acquired from the Company for the entire issued share capital in Reach Profit Investments Limited (the "**Multifield Disposal Company**") and the outstanding amount due to the Company by the Multifield Disposal Company on the date of completion of the transactions under the Master Agreement (the "**Group Reorganisation**") (the "**Completion Date**") at a consideration of HK\$1,379,916,452 (after adjustment), and (ii) the Company acquired from Oriental Explorer for the entire issued share capital in Linkful Strategic Investment Limited (the "**OE Disposal Company**") and the outstanding amount due to Oriental Explorer by the OE Disposal Company on the Completion Date at a consideration of HK\$1,139,094,234 (after adjustment).

The completion of the transactions under the Master Agreement took place on 31 July 2020. To settle the consideration shortfall, Company issued interest-free promissory notes of an aggregate amount of HK\$148,639,010 to Multifield and allotted and issued 1,181,836,004 consideration shares (representing approximately 30.4% of the enlarged issued shares of the Company) to a nominee of Multifield under specific mandate. Accordingly, the number of issued shares of the Company has been increased from 2,700,000,000 to 3,881,836,004 and the controlling shareholder's and public shareholders' interests in the Company have been changed from approximately 64.1% to 75% and from approximately 35.9% to 25% respectively.

Before the completion of the Group Reorganisation, the OE Disposal Company and the Multifield Disposal Company were wholly owned subsidiaries of Oriental Explorer and the Company respectively. Upon completion of the Group Reorganisation, the OE Disposal Company has ceased to be a subsidiary of Oriental Explorer, and has become a wholly owned subsidiary of the Company; on the other hand, the Multifield Disposal Company has become a wholly owned subsidiary of Oriental Explorer and thus it is still a subsidiary of the Company (through the Company's shareholdings in Oriental Explorer).

Further details are set out in (i) the joint announcement of the Company and Oriental Explorer dated 11 June 2020, (ii) the circular of the Company dated 30 June 2020, (iii) the poll results announcement of the Company dated 23 July 2020, and (iv) the joint announcement of the Company and Oriental Explorer dated 31 July 2020 in relation to (among others) the Master Agreement and the transactions thereunder.

Save as disclosed above, the Group did not have any other material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2020.

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 2020, the Group has not entered into any financial instrument for foreign currency hedging purpose. (2019: Nil)

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\$870 million (2019: HK\$1,044 million) as of 31 December 2020. The Group's cash and cash equivalents as of 31 December 2020 amounted to approximately HK\$467 million (2019: HK\$539 million).

As of 31 December 2020, the Group had total bank and other borrowings amounting to approximately HK\$1,627 million (2019: HK\$1,832 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 2020, ignoring the effect of any repayment on-demand clause, was as follows:

	<i>HK\$'000</i>
Within one year	1,226,653
In the second year	40,000
In the third to fifth years, inclusive	<u>360,000</u>
Total	<u><u>1,626,653</u></u>

With the total bank and other borrowings of approximately HK\$1,627 million (2019: HK\$1,832 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$11,046 million (2019: HK\$10,964 million), the Group's gearing ratio as at 31 December 2020 was around 15% (2019: 17%).

CONTINGENT LIABILITY

As of 31 December 2020, the Group had no material contingent liability. (2019: Nil)

COMMITMENTS

As at 31 December 2020, the Group had committed payment for the construction and land development expenditure amounting to approximately HK\$43 million (2019: HK\$43 million).

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, the Group has no material events after reporting period which are required to be disclosed.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2020, 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\$29 million (2019: HK\$29 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 mainly considered. 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

Entering 2021, the COVID-19 pandemic situation in various regions across the globe, including Hong Kong, continues to fluctuate. Despite COVID-19 vaccines are rolling out, it seems there is still some distance from the end of the pandemic. The management believes that unless the global pandemic being stabilised and that restrictions on cross-border traveling being gradually lifted, Hong Kong's economy will continue to face great challenges in 2021. As various industries have been hard hit by the pandemic and the local unemployment rate has continued to deteriorate, it is expected that rental income and vacancy rate of the Group's investment properties portfolio in Hong Kong may continue to face substantial pressure in 2021.

In the Mainland China, with the pandemic being largely under control, it is generally expected that the overall economy in the Mainland China will remain stable in 2021. The Group believes that unless unforeseeable situation arises, the Group's performance in the Mainland China for this year may not vary materially from that of last year.

As it is expected that uncertainties over the global development of the pandemic and the tension between the United States and China may continue to bring about vigorous volatility to the global finance markets in short to medium term, the management will remain cautious in managing the Group's listed securities portfolio, and will take necessary steps to reduce the associated risks.

The management believes that it is still not practical to make an accurate prediction about the timing and magnitude of the forthcoming economic recovery. The Group will continue to implement a prudent business approach amid the current unprecedented economic environment with priorities on maintaining a sound financial position as well as preserving cash for the Group's future development.

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 2020, 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 subject to election by shareholders at the first general meeting after appointment. 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 of the Company, if necessary, in order to ensure compliance with the Code.

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.

SCOPE OF WORK OF AUDITORS

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, to the amounts set out in the Group’s draft audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

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 2020.

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 2020 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, 25 March 2021