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Multifield

MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

INTERIM RESULTS

The Board of Directors (the “Board”) of Multifield International Holdings Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009 (the “Period”), together with the unaudited comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	For the six months ended 30 June	
		2009 <i>HK\$'000</i> <i>(Unaudited)</i>	2008 <i>HK\$'000</i> <i>(Unaudited and Restated)</i>
REVENUE	3	119,947	50,288
Cost of sales		<u>(10,026)</u>	<u>(10,608)</u>
Gross profit		109,921	39,680
Other income and gains	3	3,989	16,527
Operating and administrative expenses		(38,929)	(19,474)
Finance costs	5	<u>(3,301)</u>	<u>(10,354)</u>
PROFIT BEFORE TAX	4	71,680	26,379
Tax	6	<u>(6,164)</u>	<u>(5,935)</u>
PROFIT FOR THE PERIOD		<u>65,516</u>	<u>20,444</u>
OTHER COMPREHENSIVE INCOME			
Exchange difference arising from translation of foreign operations		–	(5,893)
Change in fair value of available-for-sale investments		3,917	–
Impairment of available-for-sale investments		<u>613</u>	<u>–</u>
Total comprehensive income for the period		<u>70,046</u>	<u>14,551</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the Company		57,646	15,054
Minority interests		<u>7,870</u>	<u>5,390</u>
		<u>65,516</u>	<u>20,444</u>
INTERIM DIVIDEND PER SHARE	7	<u>0.3 cents</u>	<u>0.3 cents</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	8	<u>1.38 cents</u>	<u>0.36 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2009 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2008 <i>HK\$'000</i> <i>(Audited)</i>
NON-CURRENT ASSETS		
Property, plant and equipment	341,473	341,454
Prepaid land lease payments	455	459
Investment properties	2,979,828	3,024,870
Available-for-sale investments	<u>33,742</u>	<u>38,572</u>
 Total non-current assets	 <u>3,355,498</u>	 <u>3,405,355</u>
CURRENT ASSETS		
Inventories	320	595
Properties held for sale	281,851	281,851
Trade receivables	9,464	7,767
Prepayments, deposits and other receivables	38,884	55,078
Equity investments at fair value through profit or loss	116,411	57,985
Equity-linked notes	–	11,668
Pledged deposits	81,222	133,202
Cash and cash equivalents	<u>176,859</u>	<u>136,210</u>
 Total current assets	 <u>705,011</u>	 <u>684,356</u>
 TOTAL ASSETS	 <u>4,060,509</u>	 <u>4,089,711</u>
CURRENT LIABILITIES		
Trade payables	613	1,427
Other payables and accruals	222,355	232,668
Deposits received	45,130	46,043
Derivative financial instruments	4,984	21,222
Interest-bearing bank and other borrowings	132,648	172,581
Tax payable	20,852	19,798
Dividend payable	<u>18,823</u>	<u>–</u>
 Total current liabilities	 <u>445,405</u>	 <u>493,739</u>
 NET CURRENT ASSETS	 <u>259,606</u>	 <u>190,617</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	As at 30 June 2009 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2008 <i>HK\$'000</i> <i>(Audited)</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,615,104</u>	<u>3,595,972</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	526,305	558,255
Due to a director	33,458	33,610
Deferred tax liabilities	<u>439,354</u>	<u>439,354</u>
Total non-current liabilities	<u>999,117</u>	<u>1,031,219</u>
Net assets	<u><u>2,615,987</u></u>	<u><u>2,564,753</u></u>
CAPITAL AND RESERVES		
Equity attributable to equity holders of the Company		
Issued capital	41,804	41,804
Reserves	1,872,407	1,811,906
Proposed final dividend	<u>–</u>	<u>18,812</u>
	1,914,211	1,872,522
Minority interests	<u>701,776</u>	<u>692,231</u>
Total equity	<u><u>2,615,987</u></u>	<u><u>2,564,753</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2008.

In the current period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of these new or revised standards, amendments and interpretations had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁴

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

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for transfers on or after 1 July 2009.

The interim results are unaudited, but have been reviewed by the Audit Committee which is of the opinion that such financial statements complied with the applicable accounting standards, and that adequate disclosures have been made.

2. SEGMENT INFORMATION

An analysis of the business segments and geographical segments of the operation of the Group during the period is as follows:

(a) Business segments

	Property investment		Provision of service apartment and property management service		Trading and investments		Electronic products		Corporate and others		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>
Segment revenue												
Sales to external customers	<u>74,510</u>	<u>71,726</u>	<u>8,536</u>	<u>10,834</u>	<u>36,687</u>	<u>(35,738)</u>	<u>214</u>	<u>3,466</u>	<u>-</u>	<u>-</u>	<u>119,947</u>	<u>50,288</u>
Segment results	<u>30,566</u>	<u>50,323</u>	<u>(3,684)</u>	<u>855</u>	<u>35,458</u>	<u>(40,891)</u>	<u>(2,117)</u>	<u>(467)</u>	<u>10,769</u>	<u>10,386</u>	<u>70,992</u>	<u>20,206</u>
Other income and gains											<u>3,989</u>	<u>16,527</u>
Finance costs											<u>(3,301)</u>	<u>(10,354)</u>
Profit before tax											<u>71,680</u>	<u>26,379</u>
Tax											<u>(6,164)</u>	<u>(5,935)</u>
Profit for the period											<u>65,516</u>	<u>20,444</u>

2. SEGMENT INFORMATION *(Continued)*

(b) Geographical segments

	Hong Kong		Elsewhere in the PRC		Consolidated	
	For the six months ended 30 June					
	2009	2008	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>
Segment revenue						
Sales to external customers	<u>49,391</u>	<u>(23,387)</u>	<u>70,556</u>	<u>73,675</u>	<u>119,947</u>	<u>50,288</u>
Segment results	<u>40,708</u>	<u>(20,148)</u>	<u>30,284</u>	<u>40,354</u>	<u>70,992</u>	<u>20,206</u>

3. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited and Restated)</i>
Revenue		
Rental income from property letting	74,510	71,726
Service apartment and property management	8,536	10,834
Sales of goods	214	3,466
Fair value gains/(losses), net		
Equity investments at fair value through profit or loss	15,632	(33,337)
Equity-linked notes	(94)	(5,196)
Derivative financial instruments	16,238	–
Interest income from available-for-sale investments	1,547	–
Dividend income from listed investments	1,544	2,695
Gain on disposal of equity investments at fair value through profits or loss	1,820	100
	<u>119,947</u>	<u>50,288</u>
Other income and gains		
Interest income from loans and receivables	464	10,015
Others	3,525	6,512
	<u>3,989</u>	<u>16,527</u>
	<u>123,936</u>	<u>66,815</u>

4. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited and Restated)
Cost of inventories sold	294	1,340
Depreciation of owned assets	1,462	1,273
Amortisation of land lease payments	4	4
Foreign exchange differences, net	<u>(1,111)</u>	<u>(441)</u>
Employee benefits expense, including directors' remuneration:		
Salaries, wages and other benefits	7,701	7,291
Pension scheme contributions (defined contribution scheme)	<u>21</u>	<u>29</u>
	<u>7,722</u>	<u>7,320</u>

5. FINANCE COSTS

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited and Restated)
Interest on bank loans, overdrafts and other loans wholly repayable within five years	3,110	10,354
Interest on bank loans not wholly repayable within five years	<u>191</u>	<u>—</u>
	<u>3,301</u>	<u>10,354</u>

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong for the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Charge for the period	6,164	5,935
Underprovision/(overprovision) in prior years	—	—
Total tax charge for the period	<u>6,164</u>	<u>5,935</u>

7. INTERIM DIVIDEND PER SHARE

At the meeting held on 18 September 2009, the Board of Directors has resolved to distribute an interim dividend of 0.3 HK cents (2008: 0.3 HK cents) per ordinary share to shareholders whose names appear on the Register of Members of the Company on 9 October 2009. The interim dividend will be distributed to the shareholders on 16 October 2009.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for the period attributable to ordinary equity holders of the Company for the period of approximately HK\$57,646,000 (2008: HK\$15,054,000) and the weighted average number of 4,180,371,092 (2008: 4,180,371,092) ordinary shares in issue during the period under review.

Diluted earnings per share for the six months ended 30 June 2009 and 2008 have not been disclosed as no diluting event existed during both periods.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 8 October 2009 to 9 October 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 7 October 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

The Group continued to focus principally on its core business of properties investment. During the first half of 2009, the Group recorded a net profit attributable to equity holders of the Company of approximately HK\$58 million (2008: HK\$15 million), an increase of 287% as compared with the corresponding period of 2008.

PROPERTY INVESTMENT

Hong Kong

During the period under review, the investment properties in Hong Kong maintained an occupancy rate of approximately 75% and contributed stable rental income of approximately HK\$14 million (2008: HK\$12 million) with an increase of 16.67% as compared with 2008.

Shanghai, PRC

Our serviced apartment chain in Shanghai, operating under the name of "Windsor Renaissance", maintained a stable rental revenue with an occupancy rate of approximately 80%. Our trademark, "Windsor Renaissance", is a symbol of high quality villas and serviced apartments in Shanghai and they are well accepted by the expatriate community in Shanghai, PRC.

Zhuhai, PRC

The Group holds two land banks in Zhuhai, PRC. The first land of about 36,808 square metres located at Qianshan commercial business district is for commercial and shopping usages. Another land of about 94,111 square metres in Doumen commercial business district is at planning stage. This land is for hotel and shopping usages. Both land banks are still in the process of demolition and removal of existing constructions. The Group believes that these acquisitions of land will further strengthen the business of property investment in the PRC and will bring remarkable return to the Group upon completion of development.

TRADING AND INVESTMENTS

The performance of trading and investments segment improved significantly as a result of the strong backing of the various local governments in financial markets. Indeed, in terms of market capitalization, the Hang Seng Index have risen around 60% from the trough in October 2008. As a result, the Group's portfolio investment recorded a net fair value gains of HK\$32 million when marking the portfolio investment to market as at 30 June 2009.

ELECTRONICS

The electronics division reported a net loss of approximately HK\$2 million based on a turnover of HK\$0.2 million.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by principal bankers in Hong Kong. As at 30 June 2009, the Group had total outstanding bank and other borrowings of approximately HK\$659 million which were secured by legal charges on certain investment properties in Hong Kong and Shanghai, cash deposits and securities investment. As at 30 June 2009, about HK\$133 million out of HK\$659 million is repayable within one year. Based on the total bank loans of HK\$659 million and the aggregate of the shareholder fund, minority interest and total bank loans of approximately HK\$3,275 million, the Group's gearing ratio as at 30 June 2009 is 20.12%.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2009, the Group had approximately 300 employees, of whom 250 were based in the PRC and 50 in Hong Kong. Remuneration policy of the Group for rewarding its employees is based on their performance, qualifications and competency displayed. In addition to the basic salaries, the Group also provides other staff benefits including discretionary bonus, provident fund schemes, medical insurance and training subsidies to the competent employees.

OUTLOOK

With the strong backing of the various local governments, the global economy started to show signs of stabilization in the second quarter of 2009 although the remainder of the year is expected to continue to be challenging.

In the Mainland, the Central Government's fiscal stimulus and monetary easing boost abundant liquidity in the economic system. According to the National Bureau of Statistics of China, China's gross domestic product (GDP) amounted to RMB13,986.2 billion in the first half of 2009, representing a year-on-year increase of 7.1% based on comparable price level. The growth rates in the first quarter and second quarter were 6.1% and 7.9% respectively. In view of these policies, China is well placed to recover at a faster pace than other countries. Being stimulated by positive policies, the property market is on track to achieve an impressive recovery in the first half of 2009.

OUTLOOK *(Continued)*

Hong Kong's economy is poised to benefit from the Mainland's supportive policies including the Individuals Visits Scheme and further economic integration with the Pearl River Delta. The Group is positive about the Hong Kong property market because of the low interest environment and the relatively lack of supply of land and buildings.

Nevertheless, the directors and management will adhere to the prudent financial policy and maintain high liquidity and low gearing. The Group will continue to monitor market conditions and capture attractive investment opportunities. We strongly believe that we can maximize our shareholders' wealth through our proven expertise and the necessary skills.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, there were no purchase, sale or redemption of the Company's listed securities by the Company or by any of its subsidiaries.

REVIEW BY AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the Group's unaudited interim results for the Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company, save as disclosed below, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Period.

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

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

CODE ON CORPORATE GOVERNANCE PRACTICES *(Continued)*

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

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

MODEL CODE FOR 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 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Based on specific enquiry of all the directors of the Company, the directors of the Company have complied with the required standard as set out in the Model Code for the Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim 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 interim report of the Company for 2009 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 at the date of this announcement, the executive directors of the Company are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive directors are Mr. Choy Tak Ho, Mr. Lee Siu Man, Ervin, Mr. Lo Yick Wing and Mr. Wong Yim Sum.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 18 September 2009