



Multifield International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0898)

Interim Report 2012

Multifield

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 2012, together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		For the six months ended 30 June	
	Notes	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
REVENUE	3	121,270	86,200
Cost of sales		<u>(18,986)</u>	<u>(17,649)</u>
Gross profit		102,284	68,551
Other income and gains	3	10,981	4,186
Operating and administrative expenses		<u>(14,155)</u>	<u>(17,423)</u>
Finance costs	5	<u>(5,507)</u>	<u>(4,058)</u>
PROFIT BEFORE TAX	4	93,603	51,256
Income tax expense	6	<u>(7,225)</u>	<u>(6,881)</u>
PROFIT FOR THE PERIOD		<u>86,378</u>	<u>44,375</u>
OTHER COMPREHENSIVE INCOME			
Changes in fair value of available-for-sale investments		17,885	3,910
Exchange differences on translation of foreign operations		<u>–</u>	<u>1,645</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>17,885</u>	<u>5,555</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>104,263</u>	<u>49,930</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		61,989	50,684
Non-controlling interests		<u>24,389</u>	<u>(6,309)</u>
		<u>86,378</u>	<u>44,375</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		73,604	55,477
Non-controlling interests		<u>30,659</u>	<u>(5,547)</u>
		<u>104,263</u>	<u>49,930</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>1.48 cents</u>	<u>1.21 cents</u>

Details of interim dividend are disclosed in note 7.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	As at 30 June 2012 HK\$'000 (Unaudited)	As at 31 December 2011 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		307,168	308,835
Investment properties		4,751,367	4,751,367
Prepaid land lease payments		429	434
Club debenture		670	670
Available-for-sale investments		3,789	1,894
Total non-current assets		<u>5,063,423</u>	<u>5,063,200</u>
CURRENT ASSETS			
Properties held for sale		281,851	281,851
Trade receivables	9	7,850	7,889
Prepayments, deposits and other receivables		1,550	22,230
Available-for-sale investments		253,816	235,931
Equity investments at fair value through profit or loss		186,434	187,522
Pledged deposits	10	18,761	17,984
Cash and cash equivalents	10	178,109	154,430
Total current assets		<u>928,371</u>	<u>907,837</u>
TOTAL ASSETS		<u>5,991,794</u>	<u>5,971,037</u>
CURRENT LIABILITIES			
Trade payables	11	686	1,416
Other payables and accruals		259,182	258,248
Deposits received		54,349	52,423
Interest-bearing bank and other borrowings		919,787	1,002,751
Tax payable		26,264	25,508
Total current liabilities		<u>1,260,268</u>	<u>1,340,346</u>
NET CURRENT LIABILITIES		<u>(331,897)</u>	<u>(432,509)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,731,526</u>	<u>4,630,691</u>
NON-CURRENT LIABILITIES			
Due to a director		25,309	5,435
Deferred tax liabilities		615,926	615,926
Total non-current liabilities		<u>641,235</u>	<u>621,361</u>
Net assets		<u>4,090,291</u>	<u>4,009,330</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	12	41,804	41,804
Reserves		3,072,191	2,998,587
Proposed final dividend	7	-	20,902
Non-controlling interests		<u>3,113,995</u>	<u>3,061,293</u>
Total equity		<u>976,296</u>	<u>948,037</u>
		<u>4,090,291</u>	<u>4,009,330</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Attributable to owners of the Company								Total equity HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Available-for-sale investment revaluation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2011	41,804	39,116	293,372	10,480	476,117	2,009,431	27,172	961,143	3,858,635
Profit for the period	-	-	-	-	-	50,684	-	(6,309)	44,375
Other comprehensive income for the period	-	-	-	3,148	1,645	-	-	762	5,555
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(20,501)	(20,501)
Final 2010 dividend declared	-	-	-	-	-	-	(27,172)	-	(27,172)
At 30 June 2011	<u>41,804</u>	<u>39,116</u>	<u>293,372</u>	<u>13,628</u>	<u>477,762</u>	<u>2,060,115</u>	<u>-</u>	<u>935,095</u>	<u>3,860,892</u>
At 1 January 2012	41,804	39,116	293,372	(15,508)	539,455	2,142,152	20,902	948,037	4,009,330
Profit for the period	-	-	-	-	-	61,989	-	24,389	86,378
Other comprehensive income for the period	-	-	-	11,615	-	-	-	6,270	17,885
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(2,400)	(2,400)
Final 2011 dividend declared	-	-	-	-	-	-	(20,902)	-	(20,902)
At 30 June 2012	<u>41,804</u>	<u>39,116</u>	<u>293,372</u>	<u>(3,893)</u>	<u>539,455</u>	<u>2,204,141</u>	<u>-</u>	<u>976,296</u>	<u>4,090,291</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

		For the six months ended 30 June	
		2012	2011
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		116,271	(189,943)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(675)	(186,005)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES		<u>(91,917)</u>	<u>342,737</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		23,679	(33,211)
Cash and cash equivalents at beginning of the period		<u>154,430</u>	<u>221,040</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		<u><u>178,109</u></u>	<u><u>187,829</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	10	159,973	178,405
Non-pledged deposits with original maturity of less than three months when acquired	10	<u>18,136</u>	<u>9,424</u>
		<u><u>178,109</u></u>	<u><u>187,829</u></u>

NOTES TO THE UNAUDITED 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 (“Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“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 2011 except as noted below.

In the current period, the Group has applied, for the first time, the following amendments issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2012.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>

The adoption of the new amendments 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 applied the following new or revised HKASs and HKFRSs, that have been issued but are not yet effective, in these interim financial statements:

HKFRSs Amendments	Annual Improvements 2009-2011 Cycle ²
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i> ²
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ²
HKFRS 9 and HKFRS 7 Amendments	Amendments to HKFRS 9 <i>Financial Instruments</i> and HKFRS 7 <i>Mandatory Effective Date of HKFRS 9 and Transition Disclosures</i> ⁴
HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 10	<i>Consolidated Financial Statements</i> ²
HKFRS 11	<i>Joint Arrangements</i> ²
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ²
HKFRS 13	<i>Fair Value Measurement</i> ²
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i> ²
HKAS 1 Amendments	<i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ¹
HKAS 19 (2011)	<i>Employee Benefits</i> ²
HKAS 27 (2011)	<i>Separate Financial Statements</i> ²
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ³
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

2. OPERATING SEGMENT INFORMATION

The analyses of the principal activities of the operations of the Group are as follows:

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Corporate and others		Total	
	For the six months ended 30 June									
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:										
Sales to external customers	<u>91,302</u>	<u>82,893</u>	<u>10,657</u>	<u>10,552</u>	<u>19,311</u>	<u>(7,245)</u>	<u>-</u>	<u>-</u>	<u>121,270</u>	<u>86,200</u>
Segment results	<u>79,938</u>	<u>188,385</u>	<u>(9,414)</u>	<u>(7,132)</u>	<u>20,278</u>	<u>(10,764)</u>	<u>(2,673)</u>	<u>(119,361)</u>	<u>88,129</u>	<u>51,128</u>
<i>Reconciliation:</i>										
Interest income from loans and receivables									1,129	1,210
Other gains									9,852	2,976
Finance costs									(5,507)	(4,058)
Profit before tax									<u>93,603</u>	<u>51,256</u>

Geographical information

	Hong Kong		Mainland China		Total	
	For the six months ended 30 June					
	2012	2011	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from sales to external customers	<u>42,402</u>	<u>6,925</u>	<u>78,868</u>	<u>79,275</u>	<u>121,270</u>	<u>86,200</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	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Rental income from property letting	91,302	82,893
Serviced apartment and property management	10,657	10,552
Fair value gains/(losses), net:		
Equity investments at fair value through profit or loss	5,552	(17,273)
Dividend income from listed investments	2,939	4,683
Interest income from available-for-sale investments	10,820	5,345
	<u>121,270</u>	<u>86,200</u>
Other income and gains		
Interest income from loans and receivables	1,129	1,210
Gain on disposal of items of property, plant and equipment	762	-
Others	9,090	2,976
	<u>10,981</u>	<u>4,186</u>

4. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation	1,561	1,896
Amortisation of prepaid land lease payments	5	4
Foreign exchange differences, net	<u>(1,288)</u>	<u>(697)</u>
Employee benefits expense (including directors' remuneration):		
Salaries, wages and other benefits	5,388	7,755
Pension scheme contributions (defined contribution scheme)	<u>100</u>	<u>100</u>
	<u>5,488</u>	<u>7,855</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank loans, overdrafts and other loans wholly repayable within five years	<u>5,507</u>	<u>4,058</u>

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong for the period. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Charge for the period	7,225	6,881
Underprovision/(overprovision) in prior years	<u>—</u>	<u>—</u>
Total tax charge for the period	<u>7,225</u>	<u>6,881</u>

7. DIVIDENDS

(a) Dividends recognised as distribution during the period:

	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Final dividend paid – HK0.50 cents (2010: HK0.65 cents) per ordinary share	20,902	27,172

(b) Dividend declared after the end of the reporting period:

	For the six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interim dividend declared – HK0.40 cents (2011: HK0.45 cents) per ordinary share	16,721	18,812

The above interim dividends were declared after the interim reporting dates and have not been recognised as liabilities at the end of the respective reporting periods.

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

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of approximately HK\$61,989,000 (2011: HK\$50,684,000) and the weighted average number of ordinary shares of 4,180,371,092 (2011: 4,180,371,092) in issue during the period.

No adjustment has been made to the basic earnings per share presented for the periods ended 30 June 2012 and 2011 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during those periods.

9. TRADE RECEIVABLES

For the Group's property rental business, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

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

	As at 30 June 2012 HK\$'000 (Unaudited)	As at 31 December 2011 HK\$'000 (Audited)
Within 1 month	3,163	2,327
1 to 2 months	270	759
2 to 3 months	277	–
Over 3 months	4,140	4,803
	7,850	7,889

10. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2012 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2011 <i>HK\$'000</i> <i>(Audited)</i>
Cash and bank balances	160,106	149,030
Time deposits	<u>36,764</u>	<u>23,384</u>
	196,870	172,414
Less: Pledged deposits	<u>(18,761)</u>	<u>(17,984)</u>
Cash and cash equivalents	<u>178,109</u>	<u>154,430</u>

The deposits of approximately HK\$18,761,000 (as at 31 December 2011: HK\$17,984,000) were pledged as security for banking facilities granted.

At the end of the reporting period, the cash and bank balances and pledged deposits of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$51,580,000 (as at 31 December 2011: HK\$41,720,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

11. TRADE PAYABLES

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

	As at 30 June 2012 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2011 <i>HK\$'000</i> <i>(Audited)</i>
Within 1 month	644	538
1 to 2 months	–	101
2 to 3 months	–	38
Over 3 months	<u>42</u>	<u>739</u>
	<u>686</u>	<u>1,416</u>

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

12. SHARE CAPITAL

Shares

	Number of shares		Value	
	As at 30 June 2012	As at 31 December 2011	As at 30 June 2012 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2011 <i>HK\$'000</i> <i>(Audited)</i>
Authorised:				
Ordinary shares of HK\$0.01 each	<u>50,000,000,000</u>	<u>50,000,000,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	<u>4,180,371,092</u>	<u>4,180,371,092</u>	<u>41,804</u>	<u>41,804</u>

13. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, other employees, adviser, consultant, agent, contractor, client or customer, or supplier of any member of the Group. The Scheme became effective on 27 June 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The total number of securities available for issue under the Scheme is 400,052,632, which is equivalent to 10% of the issued share capital of the Company at the date of adoption of the Scheme. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's share at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 5 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, which is not later than 10 years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the board of directors, but may not be less than the higher of (i) the nominal value of the shares; (ii) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options have been granted, exercised, lapsed or cancelled since the establishment of the Scheme.

14. CORPORATE GUARANTEES

At 30 June 2012, the Company has given corporate guarantees in favour of banks for banking facilities granted to its subsidiaries to the extent of approximately HK\$648,426,000 (as at 31 December 2011: HK\$648,426,000), of which approximately HK\$536,215,000 (as at 31 December 2011: 575,758,000) was utilised. In the opinion of the directors, no material liabilities will arise from the above corporate guarantees which arose in the ordinary course of business of the Group and the fair values of the corporate guarantees granted by the Company are immaterial.

15. OPERATING LEASE ARRANGEMENTS

The Group leases its investment properties and properties held for sale under operating lease arrangements, with leases negotiated for terms ranging from one to three years. The terms of these leases generally require the tenants to pay security deposits.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2012 HK\$'000 (Unaudited)	As at 31 December 2011 HK\$'000 (Audited)
Within one year	127,571	139,619
In the second to fifth years, inclusive	56,612	61,978
	<u>184,183</u>	<u>201,597</u>

16. RELATED PARTY TRANSACTIONS

Other than those transactions and balances disclosed elsewhere in the financial statements, the Group does not enter into any other transactions with related parties.

17. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the board of directors on 28 August 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 October 2012 to 19 October 2012, 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 16 October 2012. The interim dividend will be paid to shareholders whose names appear on the register of members on 19 October 2012 and the payment date will be on or about 31 October 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

During the period under review, the Group recorded a profit of about HK\$86 million (2011: HK\$44 million).

PROPERTY INVESTMENT

Hong Kong

Most of the investment properties in Hong Kong comprise of industrial buildings, office buildings and retail shops. The investment property portfolio contributed rewarding rental revenue of approximately HK\$23 million (2011: HK\$14 million).

Shanghai, PRC

The Group's properties in Shanghai, PRC comprise of 3 residential complex, including around 182 blocks of detached garden houses and 126 hotel-serviced apartment units respectively, which were operated under the name of "Windsor". These properties consistently generated stable rental revenue with an average occupancy rate of around 90%. Our properties are well accepted by the expatriate community in Shanghai and thus "Windsor" is a symbol of high quality villas and hotel-serviced apartments in Shanghai.

Zhuhai, PRC

The Group holds two land banks in Zhuhai, PRC. The first land of about 36,808 square metres is located at Qianshan commercial business district and for commercial and shopping usages. It is still in the process of removal of existing tenants by the land department of Zhuhai government. Another land of about 94,111 square metres in Doumen commercial business district is at planning and design stage. This land is for hotel and shopping usages. 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

During the period under review, the global financial market has remained volatile. In view of this, the Group has continued to take a prudent approach to invest in available-for-sale investments of around HK\$254 million. Nevertheless, even amidst a downward macroeconomic trend, the Group's investment segment recorded a net fair value gain of approximately HK\$6 million (2011: loss of HK\$17 million) when marking the investment portfolios to market valuation as at 30 June 2012.



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. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments and available-for-sale investments of HK\$440 million (as at 31 December 2011: HK\$423 million) as at 30 June 2012. The Group's cash and cash equivalents as at 30 June 2012 amounted to HK\$178 million (as at 31 December 2011: HK\$154 million). As at 30 June 2012, the Group had total bank and other borrowings amounting to approximately HK\$920 million (as at 31 December 2011: HK\$1,003 million) which were secured by legal charges on certain investment properties in Hong Kong and Shanghai, and pledges on certain equity investments, available-for-sale investments and deposits. With the total bank and other borrowings of HK\$920 million (as at 31 December 2011: HK\$1,003 million) and the aggregate of the shareholder funds, non-controlling interest and total bank borrowings of approximately HK\$5,010 million (as at 31 December 2011: HK\$5,012 million), the Group's gearing ratio as at 30 June 2012 was around 18% (as at 31 December 2011: 20%).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2012, the Group had approximately 255 employees, of whom 200 were based in the PRC and 55 in Hong Kong. The remuneration packages of the Group's employees are mainly based on their performance, experience and the prevailing market condition. In addition to the basic salaries, the Group also provides staff benefits including discretionary bonus, provident fund and training subsidies in order to retain competent employees.

PROSPECT

Looking ahead, 2012 will be a challenging year with the uncertainty on the global macroeconomic front as the European sovereign debt crisis will remain the key overhang and the U.S. economy has not yet recovered. Despite joint efforts by the governments of U.S. and the European Union to rescue and stabilize ailing economies, it is generally anticipated that global financial woes will remain unresolved in the short term.

Apart from the volatility of the global financial markets, inflation has also become a worldwide phenomenon, including China. The rising operation costs are expected to whittle down profits which poses a great challenge to business operations in China.

The economic outlook of Hong Kong is anticipated to remain challenging with uncertainties of the global economic conditions for the second half of 2012. However, supported by the economic activities momentum of the PRC with policies favourable to Hong Kong, the economic activities in Hong Kong will continue to benefit. In addition, low level of mortgage interest rates and the recent housing policy which sets out the blueprint of the long-term housing framework for Hong Kong, are aimed at developing a more balanced policy to meet the needs of society. Property investment, as one of the pillar industries of Hong Kong, is expected to receive continued support from new government. Thus, the Group believes that the outlook of Hong Kong property market is positive.

The Group strongly believes that it has the necessary skills and expertise to work towards the goal of maximizing shareholder's wealth. The Group continues to adhere to the principle of prudent financial management and will pay attention to expansion opportunities which have a promising outlook.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2012, the interests of the directors of the Company (the "Director(s)") in the shares and underlying shares of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity and nature of interest	Number of shares held	Approximate percentage of the total issued share capital of the Company %
Lau Chi Yung	Corporate	2,797,055,712*	66.91

Long position in ordinary shares of associated corporation – Oriental Explorer Holdings Limited, a subsidiary of the Company

Name of Director	Capacity and nature of interest	Number of shares held	Approximate percentage of the total issued share capital of associated corporation %
Lau Chi Yung	Corporate	1,101,826,999*	61.21

* *The above shares are ultimately controlled by Power Resources Holdings Limited which acts as the trustee under the Power Resources Discretionary Trust, a family discretionary trust, the discretionary objects of which include Mr. Lau Chi Yung and his family.*

The interests of the directors in the share options of the Company are disclosed in note 13 to the unaudited condensed consolidated financial statements.

Other than certain nominee shares in subsidiaries held by a director in trust for the companies in the Group, no director held an interest in the share capital of the subsidiaries of the Company during the six months ended 30 June 2012.

Save as disclosed above, as at 30 June 2012, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests in shares of the Company and its associated corporation" above, at no time during the six months ended 30 June 2012 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2012, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company

Name of Shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of the total issued share capital of the Company %
Power Resources Holdings Limited	Through a controlled corporation	2,797,055,712*	66.91
Lucky Speculator Limited	Directly beneficially owned	2,195,424,000*	52.52
Desert Prince Limited	Directly beneficially owned	601,631,712*	14.39

* *Power Resources Holdings Limited was deemed to have a beneficial interest in 2,797,055,712 ordinary shares of the Company by virtue of its indirect interests through Lucky Speculator Limited and Desert Prince Limited, the wholly-owned subsidiaries, which held shares in the Company.*

Save as disclosed above, as at 30 June 2012, no person, other than the Directors, whose interests are set out in the section "Directors' interests in shares of the Company and its associated corporation" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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 six months ended 30 June 2012.

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 six months ended 30 June 2012.

CORPORATE GOVERNANCE CODE

Under code provisions of 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 casual 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 provisions of the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules.

Under code provision of A.5.1, issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

At a meeting of the Board on 28 August 2012 and upon identification of a suitable candidate, the Company resolved to appoint the chairman of the Board, Mr. Lau Chi Yung, as the chairman of the nomination committee with immediate effect for compliance with the Code.

Under code provision of A.6.7, independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.

One of the independent non-executive Directors, Mr. Lee Siu Man, Ervin, was unable to attend the annual general meeting of the Company held on 28 May 2012 as he was having another meeting on the same day.

In the opinion of the Directors, save as disclosed above, the Company has complied with the code provisions of the Code throughout the six months ended 30 June 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 have complied with the required standard set out in the Model Code for the six months ended 30 June 2012.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for 2012 containing all the information required by the Listing Rules has been 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).

BOARD OF DIRECTORS

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

By Order of the Board
Lau Chi Yung
Chairman

Hong Kong, 28 August 2012