

*Multifield*

**Multifield International Holdings Limited**

**萬事昌國際控股有限公司\***

(Incorporated in Bermuda with limited liability)

(Stock Code: 0898)

Interim Report  
**2022**

\* For identification purpose only

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Lau Chi Yung, Kenneth (*Chairman*)  
Mr. Lau Michael Kei Chi  
(*Vice-Chairman and Managing Director*)

#### Independent Non-executive Directors

Mr. Tsui Ka Wah  
Mr. Lo Mun Lam, Raymond  
Mr. Lo Kam Cheung, Patrick

### AUDIT COMMITTEE

Mr. Lo Mun Lam, Raymond (*Chairman*)  
Mr. Tsui Ka Wah  
Mr. Lo Kam Cheung, Patrick

### REMUNERATION COMMITTEE

Mr. Tsui Ka Wah (*Chairman*)  
Mr. Lau Chi Yung, Kenneth  
Mr. Lau Michael Kei Chi  
Mr. Lo Mun Lam, Raymond  
Mr. Lo Kam Cheung, Patrick

### NOMINATION COMMITTEE

Mr. Lau Chi Yung, Kenneth (*Chairman*)  
Mr. Lau Michael Kei Chi  
Mr. Tsui Ka Wah  
Mr. Lo Mun Lam, Raymond  
Mr. Lo Kam Cheung, Patrick

### COMPANY SECRETARY

Mr. Li Ying Leung

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Bank of Communications (Hong Kong) Limited  
Bank J. Safra Sarasin Ltd, Hong Kong Branch  
Bank of China

### SOLICITORS

Ng and Fang Solicitors & Notaries  
Wong & Tang Solicitors  
Guangdong Langqian Law Firm

### AUDITORS

Elite Partners CPA Limited  
*Certified Public Accountants*  
*and Registered Public Interest Entity Auditor*  
10/F, 8 Observatory Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

### REGISTERED OFFICE

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

### PRINCIPAL PLACE OF BUSINESS

Units 22-28, 25/F  
Tower A, Southmark  
11 Yip Hing Street  
Wong Chuk Hang  
Hong Kong

### PRINCIPAL SHARE REGISTRAR & TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
4th Floor North  
Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR & TRANSFER OFFICE

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## 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 2022, together with the comparative figures as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

		For the six months ended 30 June	
		2022	2021
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>REVENUE</b>	3	<b>134,601</b>	131,546
Cost of sales		<u>(20,796)</u>	<u>(24,826)</u>
Gross profit		<b>113,805</b>	106,720
Other income and gains	3	<b>11,571</b>	11,775
Foreign exchange differences, net		<b>60</b>	38
Loss on disposal of investment properties		<b>–</b>	(471)
Fair value changes on financial assets at fair value through profit or loss, net		<b>16,195</b>	49,132
Operating and administrative expenses		<b>(17,445)</b>	(19,852)
Finance costs	5	<u><b>(10,924)</b></u>	<u>(8,436)</u>
<b>PROFIT BEFORE TAX</b>	4	<b>113,262</b>	138,906
Income tax expense	6	<u><b>(6,651)</b></u>	<u>(5,721)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>106,611</b></u>	<u>133,185</u>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>88,249</b>	109,568
Non-controlling interests		<u><b>18,362</b></u>	<u>23,617</u>
		<u><b>106,611</b></u>	<u>133,185</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	8	<u><b>HK10.56 cents</b></u>	<u>HK13.11 cents</u>

Details of interim dividend are disclosed in note 7.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>PROFIT FOR THE PERIOD</b>	106,611	133,185
<b>OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD</b>	<u>(2)</u>	<u>–</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>106,609</u>	<u>133,185</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		
<b>ATTRIBUTABLE TO:</b>		
Owners of the Company	88,247	109,568
Non-controlling interests	<u>18,362</u>	<u>23,617</u>
	<u>106,609</u>	<u>133,185</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		As at <b>30 June</b> 2022	As at 31 December 2021
	<i>Notes</i>	<i>HK\$'000</i> <i>(Unaudited)</i>	<i>HK\$'000</i> <i>(Audited)</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		266,013	267,423
Investment properties		11,252,858	11,232,245
Right-of-use assets		344	348
Club debenture		330	330
		11,519,545	11,500,346
Total non-current assets			
<b>CURRENT ASSETS</b>			
Properties held for sale		281,851	281,851
Trade receivables	9	10,000	9,260
Prepayments, deposits and other receivables		255,334	255,092
Financial assets at fair value through profit or loss		832,234	828,301
Cash and cash equivalents	11	801,440	462,389
		2,180,859	1,836,893
Total current assets			
<b>CURRENT LIABILITIES</b>			
Trade payables	10	550	1,659
Other payables and accruals		176,270	194,180
Deposits received		76,743	74,004
Interest-bearing bank and other borrowings	12	1,777,000	1,487,000
Tax payable		60,780	55,685
		2,091,343	1,812,528
Total current liabilities			
<b>NET CURRENT ASSETS</b>		<b>89,516</b>	<b>24,365</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,609,061</b>	<b>11,524,711</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>Notes</i>	As at 30 June 2022 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(Audited)</i>
<b>NON-CURRENT LIABILITIES</b>			
Amount due to a director	13	256,585	256,001
Deferred tax liabilities		<u>1,415,321</u>	<u>1,415,321</u>
Total non-current liabilities		<u>1,671,906</u>	<u>1,671,322</u>
Net assets		<u>9,937,155</u>	<u>9,853,389</u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Issued capital	14	41,804	41,804
Reserves		<u>8,101,149</u>	<u>8,033,804</u>
Non-controlling interests		<u>8,142,953</u>	<u>8,075,608</u>
		<u>1,794,202</u>	<u>1,777,781</u>
<b>Total equity</b>		<u>9,937,155</u>	<u>9,853,389</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2022*

	Attributable to owners of the Company							
	Issued capital <i>HK\$'000</i> <i>(Unaudited)</i> <i>(Note 14)</i>	Share premium account <i>HK\$'000</i> <i>(Unaudited)</i>	Contributed surplus <i>HK\$'000</i> <i>(Unaudited)</i>	Available- for-sale investment revaluation reserve <i>HK\$'000</i> <i>(Unaudited)</i>	Exchange fluctuation reserve <i>HK\$'000</i> <i>(Unaudited)</i>	Retained profits <i>HK\$'000</i> <i>(Unaudited)</i>	Non- controlling interests <i>HK\$'000</i> <i>(Unaudited)</i>	Total equity <i>HK\$'000</i> <i>(Unaudited)</i>
At 1 January 2021	41,804	39,116	293,372	7,448	577,584	6,621,683	1,838,341	9,419,348
Profit for the period	-	-	-	-	-	109,568	23,617	133,185
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(1,941)	(1,941)
Final 2020 dividend declared	-	-	-	-	-	(20,902)	-	(20,902)
At 30 June 2021	<u>41,804</u>	<u>39,116</u>	<u>293,372</u>	<u>7,448</u>	<u>577,584</u>	<u>6,710,349</u>	<u>1,860,017</u>	<u>9,529,690</u>
At 1 January 2022	<b>41,804</b>	<b>39,116</b>	<b>293,372</b>	-	<b>688,513</b>	<b>7,012,803</b>	<b>1,777,781</b>	<b>9,853,389</b>
Profit for the period	-	-	-	-	-	<b>88,249</b>	<b>18,362</b>	<b>106,611</b>
Other comprehensive expense for the period	-	-	-	-	<b>(2)</b>	-	-	<b>(2)</b>
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(1,941)	(1,941)
Final 2021 dividend declared	-	-	-	-	-	(20,902)	-	(20,902)
At 30 June 2022	<u><b>41,804</b></u>	<u><b>39,116</b></u>	<u><b>293,372</b></u>	<u><b>-</b></u>	<u><b>688,511</b></u>	<u><b>7,080,150</b></u>	<u><b>1,794,202</b></u>	<u><b>9,937,155</b></u>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>99,417</b>	93,634
<b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>		<b>(17,181)</b>	18,014
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>256,817</b>	(171,866)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>339,053</b>	(60,218)
Cash and cash equivalents at beginning of the period		<b>462,389</b>	466,777
Effect of foreign exchange rate change, net		<b>(2)</b>	–
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>801,440</b>	406,559
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	11	<b>427,267</b>	171,186
Non-pledged deposits with original maturity of less than twelve months when acquired	11	<b>374,173</b>	235,373
		<b>801,440</b>	406,559

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been 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 2021 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 2022.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs	<i>Annual improvements to HKFRSs 2018-2020</i>

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

## 2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into three (six months ended 30 June 2021: 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 on bank deposits, loss on disposal of investment properties, other gains and non-lease-related finance costs are excluded from such measurement.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2. OPERATING SEGMENT INFORMATION *(continued)*

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		Total	
	For the six months ended 30 June							
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment revenue:</b>								
Revenue from external customers	<u>104,986</u>	<u>97,919</u>	<u>19,920</u>	<u>18,219</u>	<u>9,695</u>	<u>15,408</u>	<u>134,601</u>	<u>131,546</u>
<b>Segment results</b>	<u>91,210</u>	<u>79,973</u>	<u>3,535</u>	<u>(2,906)</u>	<u>25,181</u>	<u>62,956</u>	<u>119,926</u>	<u>140,023</u>
<i>Reconciliation:</i>								
Unallocated corporate expenses							(7,311)	(3,985)
Interest income on bank deposits							3,488	1,491
Loss on disposal of investment properties							-	(471)
Other gains							8,083	10,284
Finance costs							(10,924)	(8,436)
Profit before tax							<u>113,262</u>	<u>138,906</u>

#### Geographical information

	Hong Kong		Mainland China		Total	
	For the six months ended 30 June					
	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from external customers	<u>45,165</u>	<u>51,582</u>	<u>89,436</u>	<u>79,964</u>	<u>134,601</u>	<u>131,546</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 periods ended 30 June 2022 and 2021.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Revenue from contracts with customers</i>		
Serviced apartment and property management services	19,920	18,219
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	104,986	97,919
Dividend income from listed equity investments	9,695	15,408
	114,681	113,327
	134,601	131,546

#### Revenue from contracts with customers

##### (a) Disaggregation of revenue information

	For the six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>By source of revenue:</i>		
<i>Revenue recognised overtime</i>		
Serviced apartment and property management services	19,920	18,219
<i>By geographical locations:</i>		
Hong Kong	499	686
Mainland China	19,421	17,533
	19,920	18,219

##### (b) Performance obligations for contracts with customers

Serviced apartment and property management services income is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue is recognised for these serviced apartment and property management services based on monthly statement issued by the Group's management agent using output method.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. REVENUE, OTHER INCOME AND GAINS *(continued)*

Other income and gains

	For the six months ended 30 June	
	2022 HK\$'000 <i>(Unaudited)</i>	2021 HK\$'000 <i>(Unaudited)</i>
Interest income on bank balances	3,488	1,491
Others	8,083	10,284
	<u>11,571</u>	<u>11,775</u>

### 4. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2022 HK\$'000 <i>(Unaudited)</i>	2021 HK\$'000 <i>(Unaudited)</i>
Depreciation of property, plant and equipment	1,467	1,915
Depreciation of right-of-use assets	4	4
Foreign exchange differences, net	(60)	(38)
Employee benefits expense (including directors' and chief executive's remuneration):		
Salaries, wages and benefits in kind	7,012	6,777
Pension scheme contributions (defined contribution scheme)	146	150
Total staff costs	<u>7,158</u>	<u>6,927</u>

### 5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2022 HK\$'000 <i>(Unaudited)</i>	2021 HK\$'000 <i>(Unaudited)</i>
Interest on bank loans and other loans	<u>10,924</u>	<u>8,436</u>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 6. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (2021: 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 rate of tax prevailing in Mainland China, in which the Group operates. Pursuant to the relevant PRC tax laws and regulations, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income if such non-resident enterprise does not have an establishment or place in the PRC. The Group's subsidiaries incorporated in Hong Kong and engaged in the property investment in the PRC does not have an establishment or place in the PRC. As a result, those subsidiaries is subject to a 10% enterprise income tax on PRC-sourced income.

	For the six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current – Hong Kong		
Charge for the period	907	–
Current – Mainland China		
Charge for the period	5,744	5,721
Total tax charge for the period	6,651	5,721

### 7. DIVIDENDS

(a) Dividends recognised as distribution during the period:

	For the six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Final dividend for 2021 paid – HK2.5 cents (2021: 2020 final dividend of HK2.5 cents) per ordinary share	20,902	20,902

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7. DIVIDENDS *(continued)*

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

	For the six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interim dividend declared – HK2 cents (2021: HK2 cents) per ordinary share	<b>16,721</b>	16,721

The Board declared an interim dividend of HK2 cents per ordinary share at the meeting held on 30 August 2022. Dividend warrants will be posted on or about 20 October 2022 to shareholders whose names appear on the register of members of the Company on 30 September 2022.

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 amounts is based on the profit for the period attributable to ordinary equity holders of the Company of approximately HK\$88,249,000 (2021: profit for the period of approximately HK\$109,568,000) and the weighted average number of ordinary shares of 836,074,218 (2021: 836,074,218 shares).

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2022 and 2021.

### 9. TRADE RECEIVABLES

	As at 30 June 2022 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(Audited)</i>
Trade receivables	<b>10,000</b>	9,260

Trade receivables mainly consist 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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. TRADE RECEIVABLES *(continued)*

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

	As at 30 June 2022 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(Audited)</i>
Within 1 month	1,559	1,542
1 to 2 months	1,066	947
2 to 3 months	126	253
Over 3 months	7,249	6,518
	10,000	9,260

### 10. TRADE PAYABLES

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

	As at 30 June 2022 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(Audited)</i>
Within 1 month	550	1,659

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

### 11. CASH AND CASH EQUIVALENTS

	As at 30 June 2022 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(Audited)</i>
Cash and bank balances	150,255	88,216
Time deposits with original maturity of less than twelve months	651,185	374,173
Cash and cash equivalents	801,440	462,389



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 11. CASH AND CASH EQUIVALENTS *(continued)*

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to approximately HK\$224,841,000 (as at 31 December 2021: HK\$311,251,000). 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 twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

### 12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2022			As at 31 December 2021		
	Contractual interest rate (%)	Maturity	HK\$’000	Contractual interest rate (%)	Maturity	HK\$’000
<b>Current liabilities</b>						
Secured bank loans denominated in Hong Kong dollar	HIBOR plus a range of 0.95 to 1.30	2023-2027 or on demand	1,777,000	HIBOR plus a range of 0.95 to 1.30	2023-2026 or on demand	1,487,000
			<u>1,777,000</u>			<u>1,487,000</u>

The scheduled principal repayment dates of the Group with reference to the loan agreements and ignore the effect of any repayment on-demand clause are as follows:

	As at 30 June 2022 HK\$’000 <i>(Unaudited)</i>	As at 31 December 2021 HK\$’000 <i>(Audited)</i>
Analysed into:		
Bank loans repayable:		
Within one year	627,900	225,400
In the second year	20,900	378,400
In the third to fifth years, inclusive	<u>1,128,200</u>	<u>883,200</u>
	<u>1,777,000</u>	<u>1,487,000</u>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 12. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

The Group's bank loans are secured by:

- (i) mortgages over the Group's certain investment properties situated in Hong Kong and Mainland China, which had an aggregate carrying value at the end of the reporting period of approximately HK\$6,691,080,000 (31 December 2021: HK\$6,691,080,000);
- (ii) mortgages over the Group's certain properties held for sale situated in Hong Kong, which had an aggregate carrying value at the end of the reporting period of approximately HK\$197,296,000 (31 December 2021: Nil);
- (iii) personal guarantees given by a director of the Company and its subsidiaries; and
- (iv) the Company has guaranteed certain of the Group's bank loans up to HK\$2,078,000,000 (31 December 2021: HK\$1,628,000,000) as at the end of the reporting period.

### 13. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest-free and is not repayable within one year.

### 14. SHARE CAPITAL

Shares

	As at 30 June 2022 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(Audited)</i>
Authorised: 10,000,000,000 ordinary shares of par value HK\$0.05 each	<b>500,000</b>	500,000
Issued and fully paid: 836,074,218 ordinary shares of par value HK\$0.05 each	<b>41,804</b>	41,804

#### Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 15 to the unaudited condensed consolidated financial statements.

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **15. SHARE OPTION SCHEME**

The Group's share option scheme (the "2013 Scheme") was adopted pursuant to a resolution passed on 30 May 2013 for the primary purpose of providing incentives to eligible participants.

#### **The 2013 Scheme**

The Company operates the 2013 Scheme for the purpose of, among others, is to recognise and motivate the contribution of eligible participants to the Group and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company. Eligible participants of the 2013 Scheme include any (full-time or part-time) employee, including, without limitation, any executive and non-executive director or proposed executive and non-executive director of the Group, and any adviser, consultant, agent, contractor, client, customer or supplier or any member of the Group. The 2013 Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from 30 May 2013.

The total number of securities available for issue under the 2013 Scheme was 418,037,109, which was equivalent to 10% of the issued share capital of the Company at the date of adoption of the 2013 Scheme (as a result of the share consolidation of the Company with effect from 31 May 2021, the total number of ordinary shares of the Company available for issue under the 2013 Scheme has been adjusted to 83,607,421 shares). The maximum number of shares issuable under share options to each eligible participant in the 2013 Scheme with in any 12-month period, is limited to 1% of the shares of the Company for the time being in issue. 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 shares 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 business days from the date of the offer upon payment of a nominal consideration of HK\$1 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 2013 Scheme, if earlier.

The exercise price of the share options is determined by the Board, but may not be less than the higher of (i) the nominal 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 in shareholders' meetings.

No share options under the 2013 Scheme have been granted, exercised, lapsed or cancelled since the establishment of the 2013 Scheme.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 16. CORPORATE GUARANTEES

At 30 June 2022, the Company has given corporate guarantees in favour of banks for banking facilities granted to its subsidiaries to the extent of approximately HK\$2,078,000,000 (31 December 2021: HK\$1,628,000,000), of which approximately HK\$1,627,000,000 (31 December 2021: HK\$1,337,000,000) 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.

### 17. LEASES

#### (a) The Group as a lessor

The Group leases its investment properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the period was HK\$104,986,000 (2021: HK\$97,919,000), details of which are included in note 3 to the unaudited condensed consolidated financial statements.

At 30 June 2022 and 31 December 2021, the undiscounted lease payments receivable by the Group in the future periods under non-cancellable operating leases with its tenants are as follows:

	As at 30 June 2022 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(Audited)</i>
Within one year	105,536	102,344
In the second year	32,723	23,919
In the third year	10,871	5,009
	149,130	131,272

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 17. LEASES (continued)

#### (b) The Group as a lessee

The amounts recognised in profit or loss in relation to leases are as follows:

	For the six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets	4	4
Expense relating to short-term leases	—	—
Total amount recognised in profit or loss	<u>4</u>	<u>4</u>

The Group does not recognise right-of-use assets and lease liabilities in regard of these short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease terms. There is no renewal options and variable lease payments included in the lease agreement.

For the period ended 30 June 2022, the Group had no cash outflow for leases (2021: Nil).

### 18. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are not significant to the Group.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

### 19. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 30 August 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF OPERATIONS

### PROPERTY INVESTMENT

#### **Hong Kong**

The Group's investment properties in Hong Kong mainly comprise office buildings, industrial buildings, retail shops and car parks. These investment properties contributed stable rental revenue of approximately HK\$35 million for the six months ended 30 June 2022 (2021: HK\$35 million).

#### **Shanghai, China**

The Group's investment property portfolio in Shanghai, China comprises three residential complexes operating under the brand name of "Windsor Renaissance", which consist of around 182 blocks of hotel-serviced villas and 132 hotel-serviced apartments in total. Windsor Renaissance is regarded as a symbol of high quality hotel-serviced villas and apartments in Shanghai, and is well recognised by consulates and management of foreign business entities. These properties in Shanghai had an average occupancy rate of approximately 90% and generated rental and management fee revenue of approximately HK\$89 million for the six months ended 30 June 2022 (2021: HK\$80 million).

#### **Zhuhai, China**

##### *Qianshan, Zhuhai*

The Group has a plot of 36,808 square meters commercial use land in Qianshan, Zhuhai, where a few existing residents have not yet relocated. Local government is responsible for relocation work, but the progress has been very slow.

To speed up the relocation progress, the Group has proposed to local government an adjustment in planning that a portion of such commercial use land be allocated for building residential units for in situ resettlement of existing residents. However, such proposal requires coordination among a number of government departments, for example, the change of land use planning. The Group is currently waiting for comments and approval from relevant government departments.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Doumen, Zhuhai*

On 24 February 2021, 珠海市自然資源局 (literally translated as Zhuhai Municipal Natural Resources Bureau) issued its latest compensation notice (letter reference number (2021)52) in respect of the resumption of the 94,110.84 square meters hotel, commercial and exhibition use land located in Doumen, Zhuhai (the “Doumen Land”) which was previously owned by the Group, the amount of compensation was RMB205,538,078.

The management considered that the Zhuhai Municipal Natural Resources Bureau had no legal basis to make the above compensation decision and was against legal procedures. The Zhuhai Municipal Natural Resources Bureau not only failed to specify relevant legal basis on the above compensation notice, it also once again hired valuation agency unilaterally without the Group’s consent, and submitted to such agency information which had not been confirmed by the Group as the basis for making assessment. As a result, the assessment for the Doumen Land’s value was substantially inaccurate and thus was unfair to the Group. To protect the Group’s legitimate interests, the Group has engaged lawyers to file administrative complaints against local government departments including the Zhuhai Municipal Natural Resources Bureau, 珠海市斗門區人民政府 (literally translated as People’s Government of Zhuhai Doumen District), and 珠海市斗門區井岸鎮人民政府 (literally translated as People’s Government of Zhuhai Doumen District Jingan Town).

On 25 February 2022, the local primary court issued its judgement on an administrative proceeding filed by the Group to set aside the compensation notice (letter reference number (2021)52) issued by the Zhuhai Municipal Natural Resources Bureau. The Zhuhai Municipal Natural Resources Bureau refused to accept the above judgement and lodged an appeal. The second instance trial of the case was held on 21 June 2022 in the local intermediate court and the Group is still waiting for the court’s judgement on the second instance trial.

As of the date of approval of these condensed consolidated financial statements, the Group has not reached an agreement with the Zhuhai Municipal Natural Resources Bureau on the amount of compensation available to the Group in respect of 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**

As of 30 June 2022, the Group held approximately HK\$832 million (31 December 2021: HK\$816 million) of highly liquid equity investments consisted mainly of blue chips stocks and Exchange Traded Funds listed in Hong Kong. These equity investments were held by the Group for long-term investment purpose and earning dividend income.

The Group’s equity investments recorded a net fair value gain of approximately HK\$16 million (2021: HK\$49 million) when marking the investment portfolios to market valuation as of 30 June 2022, along with dividend income of approximately HK\$10 million (2021: HK\$15 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

The equity investments held by the Group as at 30 June 2022 were as follows:

Stock Code	Company Name	Principal Business	Number of	Percentage	Investment cost	Realised	Unrealised	Dividend income	Fair value/ carrying amount	Percentage
			shares held as at 30 June 2022	of shareholding as at 30 June 2022		gain on change in fair value for the period ended 30 June 2022	gain/(loss) on change in fair value for the period ended 30 June 2022			to the Company's total asset as at 30 June 2022
			'000	%	HKS'000	HKS'000	HKS'000	HKS'000	HKS'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	0.15	196,381	-	(9,734)	628	174,898	1.28
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	-	27,278	8,107	296,608	2.16
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	0.82	337,354	-	(15,398)	-	207,100	1.51
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	-	9,376	-	91,709	0.67
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	-	748	826	16,660	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	-	740	-	13,660	0.10



## MANAGEMENT DISCUSSION AND ANALYSIS

Stock Code	Company Name	Principal Business	Number of shares held as at 30		Investment cost	Realised	Unrealised	Dividend income	Fair value/ carrying amount	Percentage to the Company's total asset as at 30
			June 2022	June 2022		gain on change in fair value for the period ended 30 June 2022	gain/(loss) on change in fair value for the period ended 30 June 2022			
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
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	-	642	-	8,893	0.06
	Other listed securities <sup>#</sup>				56,014	-	2,543	134	22,706	0.17
						-	16,195	9,695	832,234	6.07

<sup>#</sup> Other listed securities mainly comprised equity investment in 11 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 30 June 2022.

The Board acknowledges that the performance of the equity investments could be affected by factors such as the worldwide economy and volatility in the Chinese and Hong Kong stock markets, and is 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 its portfolio of investments as the Board considers appropriate.

### FINANCIAL REVIEW

The Group recorded a decline in profit of approximately 20% for the six months ended 30 June 2022 to approximately HK\$107 million (2021: HK\$133 million). The decline in profit was mainly due to the decrease in unrealised fair value gain and dividend income on equity investments.

In the first half of 2022, the Group's rental and property management services income increased by approximately 7% to approximately HK\$124 million (2021: HK\$116 million). During the period under reporting, rental income from Hong Kong amounted to approximately HK\$35 million (2021: HK\$35 million); rental and management fee income from hotel-serviced apartments and villas in Shanghai increased by approximately 11% to approximately HK\$89 million (2021: HK\$80 million).

During the six months ended 30 June 2022, the Group's equity investments recorded an unrealised fair value gain of approximately HK\$16 million (2021: HK\$49 million) and dividend income of approximately HK\$10 million (2021: HK\$15 million), represented a year-on-year decrease of approximately 67% and 33% respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the six months ended 30 June 2022.

### 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 30 June 2022, the Group had no financial instrument for foreign currency hedging purpose.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities provided by principal bankers in Hong Kong. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments of approximately HK\$832 million (31 December 2021: HK\$816 million) as of 30 June 2022. The Group's cash and cash equivalents as of 30 June 2022 amounted to approximately HK\$801 million (31 December 2021: HK\$462 million).

As of 30 June 2022, the Group had total bank and other borrowings amounted to approximately HK\$1,777 million (31 December 2021: HK\$1,487 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 30 June 2022 was as follows:

	<i>HK\$'000</i> <i>(Unaudited)</i>
Within one year	627,900
In the second year	20,900
In the third to fifth years, inclusive	<u>1,128,200</u>
Total	<u><u>1,777,000</u></u>

With the total bank and other borrowings of approximately HK\$1,777 million (31 December 2021: HK\$1,487 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$11,714 million (31 December 2021: HK\$11,340 million), the Group's gearing ratio as at 30 June 2022 was around 15% (31 December 2021: 13%).

### CHARGES ON GROUP ASSETS

Details of the charges on the Group's assets are set out in note 12 to the unaudited condensed consolidated financial statements.

### CONTINGENT LIABILITY

As of 30 June 2022, the Group had no material contingent liability.

# MANAGEMENT DISCUSSION AND ANALYSIS

## COMMITMENTS

As of 30 June 2022, the Group had committed payment for the construction and land development expenditure amounting to approximately HK\$4 million (31 December 2021: HK\$5 million).

## EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2022, the Group had approximately 200 employees in Shanghai, Zhuhai and Hong Kong. During the period, the staff costs (including directors' emoluments) amounted to approximately HK\$7 million (2021: HK\$7 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

Hong Kong reported year-on-year contraction in gross domestic product in both of the first two quarters of 2022. Adverse factors that hindered Hong Kong's as well as the global economic recovery in the first half of the year, such as the COVID-19 pandemic situation, geopolitical conflict, the sharp rise in inflation, and the interest rate hikes expectation, have shown no sign of abating.

### Property investment

The Group's rental income from Hong Kong decreased in the first half of 2022 compared with the corresponding period last year. Although the Hong Kong government has been proactively implementing economy-boosting measures, which include the launch of consumer voucher scheme and the relaxation of hotel quarantine requirements for inbound travellers, the local economy continues to be fragile. As tenants' demand and affordability are expected to remain weak in the coming months or even year, there is unlikely a substantial improvement in the Group's performance in Hong Kong in the second half of the year.

In the Mainland China, despite the months-long city-wide lockdown in Shanghai in early 2022, the Group's operations in the city has not been significantly affected. Provided that there is no material change in the current operating conditions, the Group's rental income from the Mainland China is expected to remain stable for the rest of 2022.

### Financial investment

The recent financial market volatility has caused the value of the Group's listed securities portfolio to rise or fall sharply from time to time, and has therefore affected the Group's overall results to a considerable extent. Under normal circumstances, unrealised fair value gain or loss on listed securities portfolio has no material direct impact on cash flow. Nevertheless, the Group will manage its financial investment cautiously and will take appropriate measures to address the related risks.

The Group will pay close attention to changes in its operating environment, and will adjust its investment strategies and operations in a timely manner to cope with such changes. The Group is confident that its financial position will continue to be relatively stable amid the uncertain economic outlook.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of 30 June 2022, the interests and short positions of the directors and the chief executive of the Company and each of their respective associates, in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, 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 %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	559,411,142*	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 %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	291,137,700*	75.00

\* *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, Kenneth and his family.*

The interests of the directors in the share option scheme of the Company are disclosed in note 15 to the unaudited condensed consolidated financial statements.

## OTHER INFORMATION

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 2022.

Save as disclosed above, as of 30 June 2022, none of the directors and chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' and chief executive's interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations" above and in the share option scheme disclosures in note 15 to the unaudited condensed consolidated financial statements, at no time during the six months ended 30 June 2022 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 THE SHARES

So far as was known to the directors of the Company, as of 30 June 2022, the following interests of 5% or more in the issued shares 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 shares capital of the Company %
Power Resources Holdings Limited	Interest of controlled corporation	559,411,142 <sup>#</sup>	66.91
Lucky Speculator Limited	Directly beneficially owned	439,084,800 <sup>#</sup>	52.52
Desert Prince Limited	Directly beneficially owned	120,326,342 <sup>#</sup>	14.39

<sup>#</sup> *Power Resources Holdings Limited was deemed to have a beneficial interest in 559,411,142 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 of 30 June 2022, so far as was known to the directors of the Company, no person, other than a director, whose interests are set out in the section "Directors' and chief executive's interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations" 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.

## OTHER INFORMATION

### EVENTS AFTER THE REPORTING PERIOD

There were no significant events which may materially affect the Group's operations and financial performance subsequent to 30 June 2022 and up to the date of this report.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 28 September 2022 to Friday, 30 September 2022, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 27 September 2022. The interim dividend will be paid to shareholders whose names appear on the register of members on Friday, 30 September 2022 and the payment date will be on or about Thursday, 20 October 2022.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2022.

### 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 2022.

### CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company, the Company has applied the principles and complied with code provisions of the Corporate Governance Code (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 six months ended 30 June 2022, save as disclosed below.

Under code provision B.2.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the bye-laws of the Company, at each annual 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.

## **OTHER INFORMATION**

### **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 directors of the Company, all directors of the Company confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2022.

### **PUBLICATION OF INTERIM REPORT**

The interim report of the Company for 2022 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](http://www.irasia.com/listco/hk/multifield/index.htm)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

### **BOARD OF DIRECTORS**

As of the date of this report, the executive directors of the Company are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive directors of the Company are Mr. Lo Mun Lam, Raymond, Mr. Lo Kam Cheung, Patrick and Mr. Tsui Ka Wah.

By Order of the Board  
**Lau Chi Yung, Kenneth**  
*Chairman*

Hong Kong, 30 August 2022