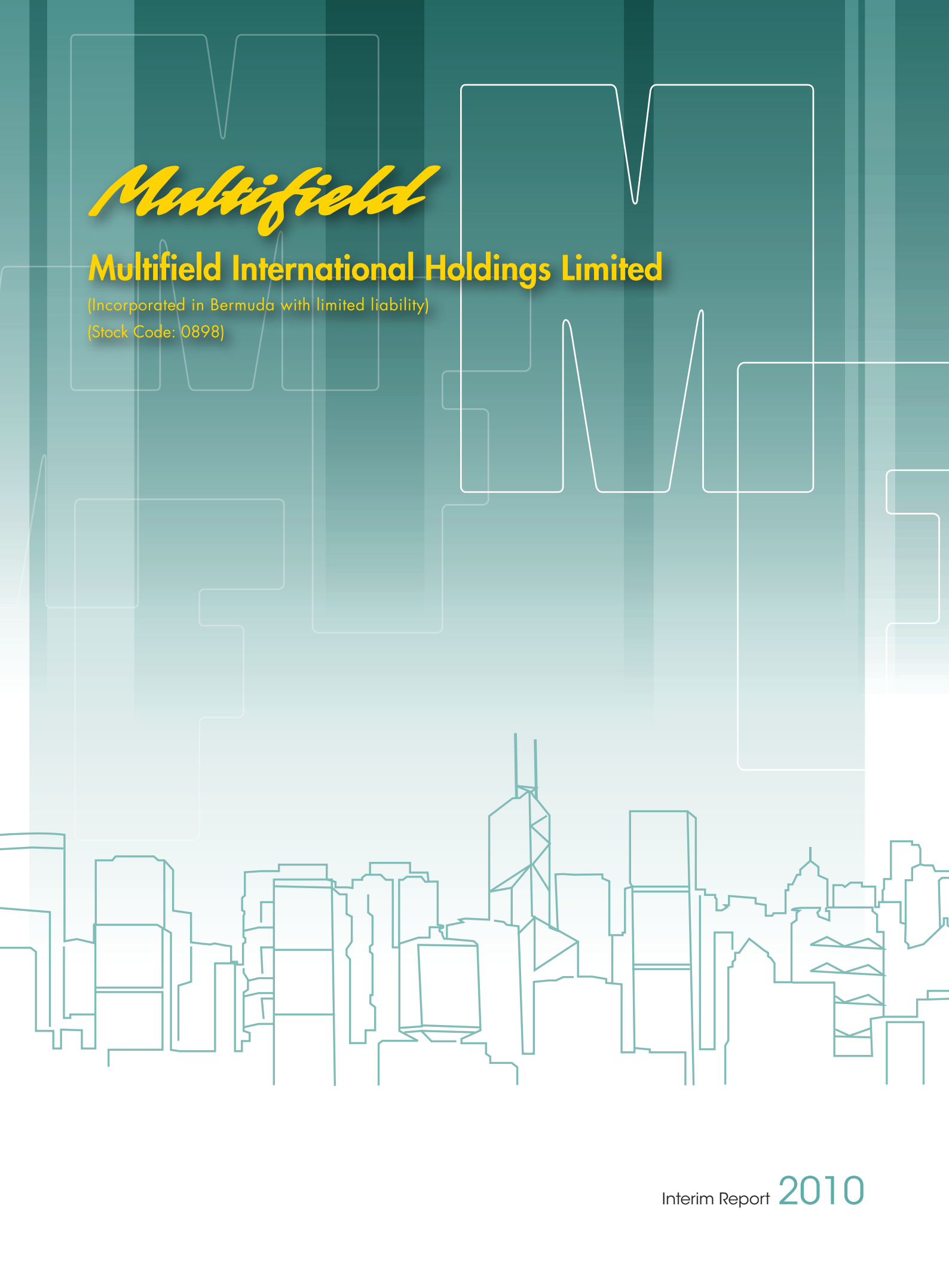




Multifield

Multifield International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0898)

Interim Report **2010**

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 2010 (the “Period”), together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

		For the six months ended 30 June	
		2010	2009
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
	Notes		
REVENUE	3	69,852	119,947
Cost of sales		<u>(11,687)</u>	<u>(10,026)</u>
Gross profit		58,165	109,921
Other income and gains	3	23,573	3,989
Operating and administrative expenses		(13,938)	(38,929)
Finance costs	5	<u>(2,295)</u>	<u>(3,301)</u>
PROFIT BEFORE TAX	4	65,505	71,680
Income tax expense	6	<u>(5,824)</u>	<u>(6,164)</u>
PROFIT FOR THE PERIOD		<u>59,681</u>	<u>65,516</u>
OTHER COMPREHENSIVE INCOME			
Available-for-sale assets:			
Changes in fair value		(1,066)	3,917
Reclassification adjustments for impairment losses included in profit or loss		<u>–</u>	<u>613</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>(1,066)</u>	<u>4,530</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>58,615</u>	<u>70,046</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		40,962	57,646
Non-controlling interests		<u>18,719</u>	<u>7,870</u>
		<u>59,681</u>	<u>65,516</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		39,961	60,501
Non-controlling interests		<u>18,654</u>	<u>9,545</u>
		<u>58,615</u>	<u>70,046</u>
INTERIM DIVIDEND PER SHARE	7	<u>0.35 cents</u>	<u>0.3 cents</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>0.98 cents</u>	<u>1.38 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	<i>Notes</i>	As at 30 June 2010 HK\$'000 (Unaudited)	As at 31 December 2009 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		346,856	348,170
Prepaid land lease payments		446	450
Investment properties		3,454,685	3,480,050
Available-for-sale investments		45,753	46,818
Total non-current assets		<u>3,847,740</u>	<u>3,875,488</u>
CURRENT ASSETS			
Properties held for sale		281,851	281,851
Trade receivables	9	6,784	7,092
Prepayments, deposits and other receivables		35,518	42,773
Equity investments at fair value through profit or loss		160,124	160,043
Derivative financial instruments		–	76
Pledged deposits	10	105,097	76,847
Cash and cash equivalents	10	321,121	241,905
Total current assets		<u>910,495</u>	<u>810,587</u>
TOTAL ASSETS		<u>4,758,235</u>	<u>4,686,075</u>
CURRENT LIABILITIES			
Trade payables	11	241	1,991
Other payables and accruals		230,549	242,802
Deposits received		47,480	45,313
Derivative financial instruments		864	351
Interest-bearing bank and other borrowings		125,976	91,756
Tax payable		21,173	20,957
Dividend payable		20,916	–
Total current liabilities		<u>447,199</u>	<u>403,170</u>
NET CURRENT ASSETS		<u>463,296</u>	<u>407,417</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,311,036</u>	<u>4,282,905</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		571,020	601,260
Due to a director		45,038	24,380
Deferred tax liabilities		595,585	595,585
Total non-current liabilities		<u>1,211,643</u>	<u>1,221,225</u>
Net assets		<u>3,099,393</u>	<u>3,061,680</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	12	41,804	41,804
Reserves		2,277,005	2,237,044
Proposed final dividends		–	20,902
Non-controlling interests		<u>2,318,809</u>	<u>2,299,750</u>
Total equity		<u>780,584</u>	<u>761,930</u>
		<u>3,099,393</u>	<u>3,061,680</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	Attributable to owners of the Company								
	Issued capital <i>HK\$'000</i> <i>(Unaudited)</i>	Share premium <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>	Proposed final dividend <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 2009	41,804	39,116	293,372	4,002	326,942	1,148,474	18,812	692,231	2,564,753
Total comprehensive income for the period	–	–	–	2,855	–	57,646	–	9,545	70,046
Final 2008 dividend declared	–	–	–	–	–	–	(18,812)	–	(18,812)
At 30 June 2009	41,804	39,116	293,372	6,857	326,942	1,206,120	–	701,776	2,615,987
At 1 January 2010	41,804	39,116	293,372	9,156	356,370	1,539,030	20,902	761,930	3,061,680
Total comprehensive income for the period	–	–	–	(1,001)	–	40,962	–	18,654	58,615
Final 2009 dividend declared	–	–	–	–	–	–	(20,902)	–	(20,902)
At 30 June 2010	41,804	39,116	293,372	8,155	356,370	1,579,992	–	780,584	3,099,393

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	41,217	30,070
NET CASH INFLOW FROM INVESTING ACTIVITIES	15,656	106,912
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	22,343	(96,333)
NET INCREASE IN CASH AND CASH EQUIVALENTS	79,216	40,649
Cash and cash equivalents at beginning of period	<u>241,905</u>	<u>136,210</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>321,121</u></u>	<u><u>176,859</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>321,121</u></u>	<u><u>176,859</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 (the “Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2009 except as noted below.

In the current period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2010.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK (IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>
HKFRSs (Amendments)	<i>Improvements to HKFRSs 2009</i>

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

2. OPERATING SEGMENT INFORMATION

	Property investment		Provision of service apartment and property management service		Trading and investments		Electronic products		Corporate and others		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	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)	(Unaudited)	(Unaudited)
Segment revenue												
Sales to external customers	69,856	74,510	8,974	8,536	(8,978)	36,687	–	214	–	–	69,852	119,947
Segment results	58,173	30,566	(4,859)	(3,684)	(7,644)	35,458	–	(2,117)	(1,443)	10,769	44,227	70,992
Other income and gains											23,573	3,989
Finance costs											(2,295)	(3,301)
Profit before tax											65,505	71,680
Income tax expense											(5,824)	(6,164)
Profit for the period											59,681	65,516

2. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

	Hong Kong		Elsewhere in the PRC		Total	
			For the six months ended 30 June			
	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue						
Sales to external customers	5,508	49,391	64,344	70,556	69,852	119,947

3. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Rental income from property letting	69,857	74,510
Service apartment and property management	8,974	8,536
Sales of goods	—	214
Fair value gains/(losses), net		
Equity-linked notes	—	(94)
Equity investments at fair value through profit or loss	(12,824)	15,632
Derivative financial instruments	(472)	16,238
Dividend income from listed investments	2,014	1,544
Interest income from available-for-sale investments	2,069	1,547
Gain on disposal of equity investments at fair value through profit or loss	234	1,820
	<u>69,852</u>	<u>119,947</u>
Other income and gains		
Interest income from loans and receivables	486	464
Gain on disposal of items of property, plant and equipment	16,636	—
Others	6,451	3,525
	<u>23,573</u>	<u>3,989</u>

4. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	–	294
Depreciation	1,199	1,462
Amortisation of prepaid land lease payments	4	4
Foreign exchange differences, net	(2,283)	(1,111)
	<u> </u>	<u> </u>
Employee benefits expense, including directors' remuneration:		
Salaries, wages and other benefits	5,920	7,701
Pension scheme contributions (defined contribution scheme)	92	21
	<u> </u>	<u> </u>
	<u>6,012</u>	<u>7,722</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank loans, overdrafts and other loans wholly repayable within five years	2,178	3,110
Interest on bank loans not wholly repayable within five years	117	191
	<u> </u>	<u> </u>
	<u>2,295</u>	<u>3,301</u>

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 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	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Charge for the period	5,824	6,164
Underprovision/(overprovision) in prior years	–	–
	<u> </u>	<u> </u>
Total tax charge for the period	<u>5,824</u>	<u>6,164</u>

7. INTERIM DIVIDEND PER SHARE

At the meeting held on 18 August 2010, the Board of Directors has resolved to distribute an interim dividend of 0.35 HK cents (2009: 0.3 HK cents) per ordinary share to shareholders whose names appear on the Register of Members of the Company on 21 September 2010. The interim dividend will be distributed to the shareholders on 28 September 2010.

8. EARNINGS PER SHARE

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\$40,962,000 (2009: HK\$57,646,000) and the weighted average number of ordinary shares of 4,180,371,092 (2009: 4,180,371,092) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 June 2010 and 2009 in respect of a dilution as the Group had no dilutive potential 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.

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

	As at 30 June 2010 HK\$'000 (Unaudited)	As at 31 December 2009 HK\$'000 (Audited)
Within 1 month	1,163	1,111
1 to 2 months	624	705
2 to 3 months	355	318
Over 3 months	4,642	4,958
	<u>6,784</u>	<u>7,092</u>

10. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2010 HK\$'000 (Unaudited)	As at 31 December 2009 HK\$'000 (Audited)
Cash and bank balances	111,845	144,396
Time deposits	314,373	174,356
	<u>426,218</u>	318,752
Less: Pledged time deposits	(105,097)	(76,847)
	<u>321,121</u>	<u>241,905</u>

The time deposits of approximately HK\$105,097,000 (2009: HK\$76,847,000) were pledged as security for banking facilities granted.

10. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS *(continued)*

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to approximately HK\$81,167,000 (2009: HK\$76,136,000). 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 as at the end of the reporting period, based on invoice date, is as follows:

	As at 30 June 2010 HK\$’000 (Unaudited)	As at 31 December 2009 HK\$’000 (Audited)
Within 1 month	176	1,899
1 to 2 months	9	2
2 to 3 months	5	–
Over 3 months	51	90
	<u>241</u>	<u>1,991</u>

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

12. SHARE CAPITAL

	Number of shares		Value	
	As at 30 June 2010	As at 31 December 2009	As at 30 June 2010 HK\$’000 (Unaudited)	As at 31 December 2009 HK\$’000 (Audited)
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 as 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. OPERATING LEASE ARRANGEMENTS

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 2010 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2009 <i>HK\$'000</i> <i>(Audited)</i>
Within one year	100,563	95,402
In the second to fifth years, inclusive	33,057	35,626
	<u>133,620</u>	<u>131,028</u>

15. COMMITMENTS

The Group had the following capital commitments in respect of investment properties at the end of the reporting period:

	As at 30 June 2010 HK\$'000 (Unaudited)	As at 31 December 2009 HK\$'000 (Audited)
Contracted, but not provided for	<u>–</u>	<u>2,617</u>

16. RELATED PARTY TRANSACTIONS

During the period, a subsidiary sold finished goods of nil (2009: approximately HK\$197,000) to a related company of Alpha Japan Limited, the non-controlling interests of a subsidiary of the Group. These transactions were based on published prices and conditions normally offered by the Group to third party customers in the ordinary course of business of the Group.

17. CORPORATE GUARANTEES

At 30 June 2010, the Company has given corporate guarantees in favour of banks for banking facilities granted to its subsidiaries to the extent of approximately HK\$554,749,000 (2009: HK\$554,749,000), of which approximately HK\$383,620,000 (2009: 446,455,000) was utilised. In the opinion of the directors, no material liability 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.

18. 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 18 August 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 20 September 2010 to 21 September 2010, 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 17 September 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

The Group continued to focus on its core business of properties. During the first half of 2010, the Group recorded a net profit attributable to equity holders of the Company of about HK\$41 million (2009: HK\$58 million), a decrease of 29% as compared with the corresponding period.

PROPERTY INVESTMENT

Hong Kong

The investment properties in Hong Kong comprise industrial and office units with some shops on the ground floor. During the period under review, the investment properties still contributed stable rental revenue of approximately HK\$16 million (2009: HK\$14 million), with an increase of 14% as compared with 2009.

Shanghai, PRC

The Group's properties in Shanghai, PRC comprise around 300 blocks of detached garden houses and apartment units, which were operated under the name of "Windsor Renaissance" and maintained steady rental revenue with an occupancy rate of approximately 78%. Our properties are well accepted by the expatriate community in Shanghai and thus our trademark, "Windsor Renaissance", is a symbol of high-quality villas and 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 demolition and removal of existing constructions. Another land of about 94,111 square metres in DouMen commercial business district is at planning stage. This land is for hotel and shopping usages. The Group believes that these acquisitions of land will further strengthen the business of property investment in the PRC and will bring remarkable return to the Group upon completion of development.

TRADING AND INVESTMENTS

The performance of trading and investment segment was adversely affected by the downturn of the global stock markets in the second quarter of 2010 as a result of the sovereign debt crisis in the Euro zone. In the first half of 2010, the Group's investment segment recorded the net fair value losses of HK\$13 million (2009: net fair value gains of HK\$32 million) when the investment portfolios were stated at fair value as at 30 June 2010.

ELECTRONICS

In view of the prospect and accumulated losses of electronic division, the Group has intention to close down the division.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by principal bankers in Hong Kong. As at 30 June 2010, the Group had total interest-bearing bank and other borrowings amounting to approximately HK\$697 million which were secured by legal charges on certain investment properties in Hong Kong and Shanghai, and certain cash deposits and securities investment. As at 30 June 2010, about HK\$126 million out of HK\$697 million is repayable within one year. The Group's cash and cash equivalents and pledged deposits as at 30 June 2010 amounted to HK\$426 million. Based on the total interest-bearing bank and other borrowings of HK\$697 million and the aggregate of the shareholders' funds, non-controlling interests and total interest-bearing bank and other borrowings of approximately HK\$3,796 million, the Group's gearing ratio as at 30 June 2010 was around 18%.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2010, the Group had approximately 300 employees, of whom 250 were based in the PRC and 50 in Hong Kong. The remuneration packages of the Group's employees are mainly based on their performance and experience and the prevailing market condition. In addition to the basic salaries, the Group also provides staff benefits including discretionary bonus, provident fund and tuition/training subsidies in order to retain competent employees.

PROSPECT

Given the outbreak of sovereign debt crisis in the Euro zone, the world economy for the first half of 2010 has become more complicated. The Group believed that a period of time is required for the global economy to make full recovery.

In Mainland China, the transaction volume and prices of residential properties have been adjusted downward since the central government has tightened credit to control the prices of residential properties and asset inflation. Yet, the Group believes that the Chinese economy continued to play a vital role in the world's economic recovery. Indeed, based on the National Bureau of Statistics, the annualized gross domestic product growth rates for the first two quarters were at 11.9% and 11.1% respectively.

Hong Kong is expected to continue to benefit from the economic development of Mainland China and the Group remains optimistic about the prospect for local property market in the medium and long term because of its strong fundamentals.

The Group will continue specializing in Hong Kong and PRC property business in anticipation of steady return. The Group will continue to monitor market conditions and look for attractive investment opportunities as appropriate in the long run. Yet, the Group will adhere to its prudent financial policy and maintain high liquidity and low gearing. We strongly believe that we have the necessary skills and expertise to enable us to work towards the goal of maximizing our shareholder's wealth through restructuring our business mix and strengthening the competitiveness of our business.

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

As at 30 June 2010, the interests of the directors of the Company (the "Director(s)") in the share capital and underlying shares of the Company or 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
Lau Chi Yung	Corporate	2,797,055,712	66.91

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

Long position in shares of associated corporation

Name of Director	Name of associated corporation	Relationship with the Company	Shares	Number of shares held	Capacity and nature of interest	Percentage of associated corporation's issued share capital
Lau Chi Yung	Oriental Explorer Holdings Limited	Company's subsidiary	Ordinary shares	1,101,826,999	Corporate	61.21

The interest of Mr. Lau Chi Yung in the shares of Oriental Explorer Holdings Limited are ultimately controlled by Power Resources Holdings Limited as the trustee of the Power Resources Discretionary Trust, a family discretionary trust, the discretionary objects of which include Mr. Lau Chi Yung and his family.

In addition to the above, a director has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 June 2010, 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 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 2010 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' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2010, 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

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
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 2010, 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 THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2010.

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 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

In the opinion of the Directors, save as disclosed above, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2010.

UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

On 28 June 2010, Mr. Choy Tak Ho retired as an independent non-executive director, a member of audit committee and remuneration committee of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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, the Directors have complied with the required standard as set out in the Model Code for the six months ended 30 June 2010.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement of the Company is published on the websites of the Company (www.irasia.com/listco/hk/multifield/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The interim report of the Company for 2010 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this 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 and Mr. Lo Yick Wing.

By Order of the Board
Lau Chi Yung
Chairman

Hong Kong, 18 August 2010