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MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
REVENUE	3	268,262	252,478
Cost of sales		<u>(52,094)</u>	<u>(50,703)</u>
Gross profit		216,168	201,775
Other income and gains	3	19,773	17,247
Reversal of impairment of property, plant and equipment		60,334	–
Foreign exchange differences, net		13,000	5,487
Fair value changes on financial assets at fair value through profit or loss, net		(53,453)	(174,467)
Fair value changes on investment properties, net		413,329	53,669
Loss on disposal of investment properties		(471)	–
Operating and administrative expenses		(40,490)	(44,378)
Finance costs	5	<u>(16,955)</u>	<u>(30,999)</u>
PROFIT BEFORE TAX	4	611,235	28,334
Income tax expense	6	<u>(121,591)</u>	<u>(21,310)</u>
PROFIT FOR THE YEAR		<u>489,644</u>	<u>7,024</u>
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		421,295	37,355
Non-controlling interests		68,349	(30,331)
		<u>489,644</u>	<u>7,024</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			(Restated)
Basic and diluted	8	<u>HK50.39 cents</u>	<u>HK4.47 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
PROFIT FOR THE YEAR	489,644	7,024
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>143,703</u>	<u>332,883</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>633,347</u>	<u>339,907</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		
ATTRIBUTABLE TO:		
Owners of the Company	532,224	292,559
Non-controlling interests	<u>101,123</u>	<u>47,348</u>
	<u>633,347</u>	<u>339,907</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		267,423	207,737
Investment properties		11,232,245	10,652,048
Right-of-use assets		348	357
Club debenture		330	330
		<hr/>	<hr/>
Total non-current assets		11,500,346	10,860,472
CURRENT ASSETS			
Properties held for sale		281,851	281,851
Trade receivables	9	9,260	7,014
Prepayments, deposits and other receivables		255,092	246,675
Financial assets at fair value through profit or loss		828,301	869,520
Cash and cash equivalents		462,389	466,777
		<hr/>	<hr/>
Total current assets		1,836,893	1,871,837
CURRENT LIABILITIES			
Trade payables	10	1,659	2,803
Other payables and accruals		194,180	186,487
Deposits received		74,004	63,970
Interest-bearing bank and other borrowings		1,487,000	1,626,653
Tax payable		55,685	53,813
		<hr/>	<hr/>
Total current liabilities		1,812,528	1,933,726
NET CURRENT ASSETS/(LIABILITIES)		24,365	(61,889)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,524,711	10,798,583

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Amount due to a director	256,001	102,813
Deferred tax liabilities	<u>1,415,321</u>	<u>1,276,422</u>
Total non-current liabilities	<u>1,671,322</u>	<u>1,379,235</u>
Net assets	<u>9,853,389</u>	<u>9,419,348</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	41,804	41,804
Reserves	<u>8,033,804</u>	<u>7,539,203</u>
Non-controlling interests	<u>8,075,608</u>	<u>7,581,007</u>
	<u>1,777,781</u>	<u>1,838,341</u>
Total equity	<u>9,853,389</u>	<u>9,419,348</u>

NOTES TO FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value.

These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of Multifield International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2021. A subsidiary is an entity directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (“**OCI**”) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following amendments to HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 4, HKFRS 7 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i>

The applications of the amendments to HKFRSs in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and amendments to HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i> ²
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 17	<i>Insurance contracts</i> ³
Amendments to HKFRS 17	<i>Insurance contracts</i> ^{3,6}
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ³
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> ³
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ³
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> ³
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> ¹
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i> ²
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> ²
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i> ²

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

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

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

⁴ No mandatory effective date yet determined but available for adoption

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

⁶ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

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

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

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the consolidated financial statements in which the entity first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into three (2020: 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, fair value changes on investment properties, non-lease-related finance costs and other gains are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets.

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

There are no sales or other transactions between the operating segments during the year (2020: Nil).

Years ended 31 December 2021 and 2020

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Revenue from external customers	<u>200,224</u>	<u>193,984</u>	<u>37,617</u>	<u>36,127</u>	<u>30,421</u>	<u>22,367</u>	<u>268,262</u>	<u>252,478</u>
Segment results	<u>185,221</u>	<u>161,222</u>	<u>(9,963)</u>	<u>(3,353)</u>	<u>(23,744)</u>	<u>(156,279)</u>	<u>151,514</u>	<u>1,590</u>
<i>Reconciliation:</i>								
Unallocated corporate expenses							(16,760)	(13,173)
Interest income on bank deposits							3,847	2,792
Reversal of impairment of property, plant and equipment							60,334	-
Fair value gains on investment properties, net	413,329	53,669	-	-	-	-	413,329	53,669
Other gains							15,926	14,455
Finance costs							(16,955)	(30,999)
Profit before tax							<u>611,235</u>	<u>28,334</u>
	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	12,145,033	11,104,346	40,663	37,864	817,665	970,371	13,003,361	12,112,581
<i>Reconciliation:</i>								
Corporate and unallocated assets							<u>333,878</u>	<u>619,728</u>
Total assets							<u>13,337,239</u>	<u>12,732,309</u>
Segment liabilities	198,260	219,334	23,138	22,989	568	52	221,966	242,375
<i>Reconciliation:</i>								
Corporate and unallocated liabilities							<u>3,261,884</u>	<u>3,070,586</u>
Total liabilities							<u>3,483,850</u>	<u>3,312,961</u>

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Unallocated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:										
Depreciation and amortisation	2,935	3,266	453	1,093	-	-	6	12	3,394	4,371
Fair value changes on financial assets at fair value through profit or loss, net	-	-	(28)	-	53,481	174,467	-	-	53,453	174,467
Capital expenditure*	102	7	-	-	-	-	6	86	108	93
Loss on disposal of investment properties	471	-	-	-	-	-	-	-	471	-
	<u>471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471</u>	<u>-</u>

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

Geographical information

(a)	Hong Kong		Mainland China		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	102,712	92,520	165,550	159,958	268,262	252,478
	<u>102,712</u>	<u>92,520</u>	<u>165,550</u>	<u>159,958</u>	<u>268,262</u>	<u>252,478</u>

The revenue information above is based on the locations of the customers. No single external customer accounted for 10% or more of the total revenue for the years ended 31 December 2021 and 2020.

(b)	Hong Kong		Mainland China		Malaysia		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets	4,168,076	4,079,306	7,203,852	6,652,748	128,088	128,088	11,500,016	10,860,142
	<u>4,168,076</u>	<u>4,079,306</u>	<u>7,203,852</u>	<u>6,652,748</u>	<u>128,088</u>	<u>128,088</u>	<u>11,500,016</u>	<u>10,860,142</u>

The non-current asset information above is based on the locations of assets and excludes club debenture.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Serviced apartment and property management services	<u>37,617</u>	<u>36,127</u>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	200,224	193,984
Dividend income from listed equity investments	<u>30,421</u>	<u>22,367</u>
	<u>230,645</u>	<u>216,351</u>
	<u>268,262</u>	<u>252,478</u>

Revenue from contracts with customers

(a) *Disaggregation of revenue information*

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
By source of revenue:		
<i>Revenue recognised overtime</i>		
Serviced apartment and property management services	<u>37,617</u>	<u>36,127</u>
By geographical locations:		
Hong Kong	1,269	1,100
Mainland China	<u>36,348</u>	<u>35,027</u>
	<u>37,617</u>	<u>36,127</u>

(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's performance as the Group performs. 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.

Other income and gains

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Government grants and subsidies (<i>Note</i>)	10,048	9,662
Interest income on bank balances	3,847	2,792
Loss on disposal of property, plant and equipment, net	–	(5)
Others	5,878	4,798
	<u>19,773</u>	<u>17,247</u>

Note:

During the current year, the Group recognised government grants of HK\$10,048,000 in respect of professional service business development by the People's Republic of China government.

During the year ended 31 December 2020, the Group recognised government grants of approximately HK\$1,438,000 in respect of Covid-19 related subsidies, of which approximately HK\$1,418,000 relates to Employment Support Schemes provided by the Hong Kong government. Various government grants have been received for tax refunded. There are no unfulfilled conditions or contingencies relating to grants.

4. PROFIT BEFORE TAX

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Auditors' remuneration – audit services	780	1,050
Auditors' remuneration – non-audit services	–	300
Cost of services provided	52,094	50,703
Depreciation of property, plant and equipment	3,394	4,362
Depreciation of right-of-use assets	9	9
Expense relating to short-term leases not included in the measurement of lease liabilities	–	146
Impairment of club debenture (<i>Note (i)</i>)	–	340
Loss on disposal of property, plant and equipment	–	5
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	30,034	31,006
Foreign exchange differences, net	13,000	(5,487)
	<u> </u>	<u> </u>
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and benefits in kind	28,600	27,617
Pension scheme contributions (defined contribution scheme) (<i>Note (ii)</i>)	2,097	1,856
	<u> </u>	<u> </u>
Total staff costs	30,697	29,473
	<u> </u>	<u> </u>

Notes:

- (i) During the year ended 31 December 2020, the directors of the Company consider HK\$340,000 impairment identified with reference to the second hand market price at the club debenture.
- (ii) At 31 December 2021, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2020: Nil).

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank loans and other borrowings	16,955	30,999
	<u> </u>	<u> </u>

6. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China, in which the Group operates.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	4,834	3,245
Over provision in prior years	–	(60)
Current – Elsewhere		
Under provision in prior years	–	30
Current – Mainland China		
Charge for the year	12,048	14,031
Deferred tax	<u>104,709</u>	<u>4,064</u>
Total tax charge for the year	<u><u>121,591</u></u>	<u><u>21,310</u></u>

7. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interim dividend – HK2 cents per ordinary share of par value HK\$0.05 each (2020: HK0.50 cents per ordinary share of par value HK\$0.01 each)	16,721	20,902
Proposed final dividend – HK2.5 cents per ordinary share of par value HK\$0.05 each (2020: HK0.50 cents per ordinary share of par value HK\$0.01 each)	<u>20,902</u>	<u>20,902</u>
	<u><u>37,623</u></u>	<u><u>41,804</u></u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 26 May 2022, dividend warrants will be posted on or about 23 June 2022 to shareholders whose names appear on the register of members of the Company on 8 June 2022.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of approximately HK\$421,295,000 (2020: HK\$37,355,000) and the weighted average number of ordinary shares of 836,074,218 (2020: 836,074,218 shares as adjusted to reflect the effect of the share consolidation of the Company with effect from 31 May 2021) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2021 and 2020.

9. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	9,260	7,014
Less: loss allowance	—	—
	<u>9,260</u>	<u>7,014</u>

Trade receivables mainly consists of receivables from property management services and rental receivables, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments. The Group does not hold any other collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	1,542	1,820
1 to 2 months	947	989
Over 2 to 3 months	253	151
Over 3 months	6,518	4,054
	<u>9,260</u>	<u>7,014</u>

10. TRADE PAYABLES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 month	<u><u>1,659</u></u>	<u><u>2,803</u></u>

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

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with the current period's presentation.

CLOSURE OF REGISTER OF MEMBERS

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

- (i) from Monday, 23 May 2022 to Thursday, 26 May 2022, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 20 May 2022.
- (ii) from Monday, 6 June 2022 to Wednesday, 8 June 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 2 June 2022.

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. The Group's investment properties portfolio contributed stable rental revenue of approximately HK\$72 million in 2021 (2020: HK\$70 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 villas and hotel-serviced 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 95% and generated rental and management fee revenue of approximately HK\$166 million in 2021 (2020: HK\$159 million).

Zhuhai, China

Zhuhai Qianshan

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.

Zhuhai Doumen

On 24 February 2021, 珠海市自然資源局 (literally translated as Zhuhai Municipal Natural Resources Bureau) issued 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 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.

As of the date of approval of these 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

The worldwide economy and global stock markets were volatile in 2021.

As of 31 December 2021, the Group held approximately HK\$816 million (31 December 2020: HK\$870 million) of highly liquid equity investments consisted mainly of blue chip 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 loss of approximately HK\$53 million for the year (2020: loss of HK\$174 million) when marking the investment portfolio to market valuation as of 31 December 2021. Dividend income derived from equity investments amounted to approximately HK\$30 million in 2021 (2020: HK\$22 million).

The equity investments held by the Group as at 31 December 2021 were as follows:

Stock Code	Company Name	Principal Business	Number of shares held as at 31 December 2021 '000	Percentage of shareholding as at 31 December 2021 %	Investment cost HK\$'000	Realised gain	Unrealised gain/(loss)	Dividend income for the year ended 31 December 2021 HK\$'000	Fair value/ carrying amount as at 31 December 2021 HK\$'000	Percentage to the Company's total asset as at 31 December 2021 %
						on change in fair value for the year ended 31 December 2021 HK\$'000	on change in fair value for the year ended 31 December 2021 HK\$'000			
2800	Tracker Fund of Hong Kong	Collective investment fund, structured as a unit trust established under Hong Kong law, provide investment results that closely correspond to the performance of the Hang Seng Index.	7,850	0.19	196,381	-	(30,458)	5,260	184,632	1.38
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	-	35,317	9,822	269,331	2.02
2828	Hang Seng China Enterprises Index ETF	Sub-fund of the Hang Seng Investment Index Funds Series, a unit trust established as an umbrella fund under the laws of Hong Kong, which aims to match, before expenses, as closely as practicable the performance of the Hang Seng China Enterprises Index.	2,664	1.03	337,354	-	(67,079)	4,769	222,497	1.67

Stock Code	Company Name	Principal Business	Number of shares held as at 31 December 2021	Percentage of shareholding as at 31 December 2021	Investment cost	Realised	Unrealised	Dividend income	Fair value/ carrying amount as at 31 December 2021	Percentage
						on change in fair value for the year ended 31 December 2021	gain/(loss) on change in fair value for the year ended 31 December 2021			to the Company's total asset as at 31 December 2021
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
3988	Bank of China Limited	Banking and financial services, a China-based company principally engage in the provision of banking and related financial services.	29,300	0.04	101,558	-	4,688	6,963	82,333	0.62
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	-	884	1,153	15,912	0.12
2628	China Life Insurance Company Limited	Life insurance, a China-based company principally engage provides a range of insurance products, including individual and group life insurance, health insurance and accident insurance products.	1,000	0.01	29,741	-	(4,180)	768	12,920	0.10
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	-	2,544	624	8,251	0.06
	Other listed securities [#]				56,014	-	4,803	1,062	20,163	0.15
						-	(53,481)	30,421	816,039	6.12

[#] Other listed securities comprised equity investments 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 31 December 2021.

The Board acknowledges that the performance of the equity investments may be affected by worldwide economy, volatility in the Chinese and Hong Kong stock markets, and susceptible to other external factors that may affect their values. In order to mitigate possible financial risk related to the equity investments, the management will closely monitor the performance of respective equity investments and the changes in market condition. The Group will adjust the Group's portfolio of investments as the Board considers appropriate.

FINANCIAL REVIEW

The Group recorded an increase of over 6,800% in net profit for the year ended 31 December 2021 to approximately HK\$489 million (2020: HK\$7 million). The substantial increase in profit was mainly due to (i) a decrease in fair value loss on equity investments, (ii) an increase in fair value gain on investment properties, and (iii) the recognition of reversal of provision in respect of a plot of land in 2021.

The Group's rental and property management services income increased by approximately 3% to approximately HK\$238,000,000 in 2021 (2020: HK\$230,000,000). During the year, rental income from Hong Kong increased by approximately 3% to approximately HK\$71 million (2020: HK\$69 million), while rental and management fee income from hotel-serviced apartments and villas in Shanghai increased by approximately 4% to approximately HK\$166 million (2020: HK\$159 million).

The Group's equity investments recorded a reduction in fair value loss to approximately HK\$53 million in 2021 (2020: HK\$174 million). These equity investments recorded dividend income of approximately HK\$30 million during the year (2020: HK\$22 million).

Investment properties held by the Group record a substantial increase in fair value gain of approximately 670% to HK\$413 million in 2021 (2020: HK\$54,000,000). As at 31 December 2021, fair value of the Group's investment properties increased by approximately 5% from the end of last year to approximately HK\$11,232 million (31 December 2020: HK\$10,652 million)

CAPITAL STRUCTURE

Details of changes in capital structure of the Company during the year ended 31 December 2021 are as follows:

Share consolidation

On 26 March 2021, the board of directors of the Company proposed to implement a share consolidation on the basis of every five ordinary shares of par value HK\$0.01 each in the capital of the Company be consolidated into one ordinary share of par value HK\$0.05 each. By an ordinary resolution passed at the annual general meeting of the Company held on 27 May 2021, the aforesaid share consolidation took effect on 31 May 2021.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2021.

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi, Hong Kong dollar, United States dollar and the Malaysian ringgit. The Group is exposed to foreign exchange risk with respect mainly to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group and when appropriate hedge its currency risk.

As of 31 December 2021, the Group did not have any financial instrument for foreign currency hedging purpose. (31 December 2020: Nil)

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities provided by principal bankers in Hong Kong. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments amounted to approximately HK\$816 million as of 31 December 2021 (31 December 2020: HK\$870 million). The Group's cash and cash equivalents as of 31 December 2021 amounted to approximately HK\$462 million (31 December 2020: HK\$467 million).

As of 31 December 2021, the Group had total bank and other borrowings amounted to approximately HK\$1,487 million (31 December 2020: HK\$1,627 million), which were secured by legal charges on the Group's certain investment properties in Hong Kong and Shanghai. The Group's bank borrowings were mainly arranged on a floating rate basis. The maturity of bank and other borrowings of the Group as at 31 December 2021, ignoring the effect of any repayment on-demand clause, was as follows:

	<i>HK\$'000</i>
Within one year	225,400
In the second year	378,400
In the third to fifth years, inclusive	<u>883,200</u>
Total	<u><u>1,487,000</u></u>

With the total bank and other borrowings of approximately HK\$1,487 million (2020: HK\$1,627 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$11,340 million (2020: HK\$11,046 million), the Group's gearing ratio as at 31 December 2021 was around 13% (31 December 2020: 15%).

CONTINGENT LIABILITY

As of 31 December 2021, the Group had no material contingent liability. (31 December 2020: Nil)

COMMITMENTS

As at 31 December 2021, the Group had committed payment for the construction and land development expenditure amounted to approximately HK\$5 million (31 December 2020: HK\$10 million).

EVENTS AFTER THE REPORTING PERIOD

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

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2021, the Group had approximately 220 employees in Shanghai, Zhuhai and Hong Kong. During the year, the staff costs (including directors' emoluments) amounted to approximately HK\$31 million (2020: HK\$29 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including directors and senior management), their performance, experience and the prevailing market condition are mainly considered. In addition to salaries, provident fund scheme, discretionary bonuses and tuition/training subsidies are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his own remuneration.

PROSPECT

The fifth wave of COVID-19 outbreak in Hong Kong, caused by the highly transmissible Omicron variant, has yet to show obvious signs of slowing down. The number of new local cases remains at a high level in recent days compared with the last four waves of outbreak. In the mainland China, the number of confirmed cases has been on the rise recently, some provinces and cities have implemented strict preventive measures to prevent further spread of the pandemic.

Hong Kong's economy is being hit hard by various unfavourable internal and external factors such as repeated tightening of local pandemic prevention measures, long-standing restrictions on cross-border travel, the escalating trade tensions between China and the United States, the military conflict between Russia and Ukraine, surging inflation, and interest rate hike expectations. The Group is not optimistic about the local economic outlook for 2022, in particular, retail, catering, and tourism-related industries are now under extremely difficult operating conditions, and a considerable number of small and medium enterprises are at risk of closing down.

As the investment properties held by the Group in Hong Kong are mainly commercial and industrial properties, the related rental income will remain under severe pressure until the overall operations of tenants are improved. On the other hand, the Group's investment properties in the mainland China are mainly large-scale and high-quality residential estates. Although the Group's revenue from the mainland China has been stable since the outbreak of the pandemic, operations in the country may still be affected amid the recent nationwide resurgence of infections.

In addition to dragging down the local and even global economy, today's unprecedentedly complex international situation also leading to turmoil in global financial markets. The value of the Group's equity investment portfolio may fluctuate in 2022, the Group will pay close attention to the relevant risks and take necessary measures in a timely manner.

Despite the uncertain outlook for the local economy, it is expected that the Group's financial position will not be significantly and adversely affected in the absence of unforeseeable circumstances. The Group will continue to adopt a prudent investment strategy with an aim to preserve financial resources for possible investment opportunities and thereby create value for shareholders.

CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company (the “Director(s)”), the Company has applied the principals and complied with code provisions of the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2021, save as disclosed below.

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

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

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules. The audit committee’s terms of reference includes those specific duties as set out in the code provision C.3.3 of the Code.

As of the date of this announcement, the audit committee comprises three independent non-executive Directors, namely, Mr. Lo Mun Lam, Raymond, Mr. Lo Kam Cheung, Patrick and Mr. Tsui Ka Wah. The chairman of the audit committee, Mr. Lo Mun Lam, Raymond, has extensive experience in the finance and auditing fields.

REVIEW OF ANNUAL RESULTS

The annual results for the year ended 31 December 2021 contained in this announcement have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF AUDITORS

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Group’s auditor, Elite Partners CPA Limited, to the amounts set out in the Group’s draft audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Based on specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code for the year ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of listed securities of the Company during the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.irasia.com/listco/hk/multifield/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for 2021 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

BOARD OF DIRECTORS

As of the date of this announcement, the executive Directors are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive Directors are Mr. 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, 31 March 2022