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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 2022

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>REVENUE</b>	3	<b>273,713</b>	268,262
Cost of sales		<u>(42,916)</u>	<u>(52,094)</u>
Gross profit		<b>230,797</b>	216,168
Other income and gains	3	<b>21,727</b>	19,773
Reversal of impairment of property, plant and equipment		–	60,334
Foreign exchange differences, net		<b>(48,834)</b>	13,000
Fair value changes on financial assets at fair value through profit or loss		<b>(55,525)</b>	(53,453)
Fair value changes on investment properties, net		<b>391,636</b>	413,329
Loss on disposal of investment properties		–	(471)
Operating and administrative expenses		<b>(38,300)</b>	(40,490)
Finance costs	5	<b>(37,350)</b>	(16,955)
Share of loss of an associate	6	<b>(5)</b>	–
<b>PROFIT BEFORE TAX</b>	4	<b>464,146</b>	611,235
Income tax expense	7	<b>(92,885)</b>	(121,591)
<b>PROFIT FOR THE YEAR</b>		<b>371,261</b>	489,644
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>264,120</b>	421,295
Non-controlling interests		<b>107,141</b>	68,349
		<b>371,261</b>	489,644
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	9	<b>HK31.59 cents</b>	HK50.39 cents

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>371,261</b>	489,644
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME</b>		
<i>Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(488,313)</u>	<u>143,703</u>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR</b>	<b><u>(117,052)</u></b>	<b><u>633,347</u></b>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>		
Owners of the Company	<b>(114,069)</b>	532,224
Non-controlling interests	<b><u>(2,983)</u></b>	<u>101,123</u>
	<b><u>(117,052)</u></b>	<b><u>633,347</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>256,201</b>	267,423
Investment properties		<b>11,022,134</b>	11,232,245
Right-of-use assets		<b>340</b>	348
Club debenture		<b>330</b>	330
Interest in an associate	<i>6</i>	<b>57</b>	–
Total non-current assets		<b>11,279,062</b>	11,500,346
<b>CURRENT ASSETS</b>			
Properties held for sale		<b>281,851</b>	281,851
Trade receivables	<i>10</i>	<b>9,915</b>	9,260
Prepayments, deposits and other receivables		<b>238,495</b>	255,092
Financial assets at fair value through profit or loss		<b>762,074</b>	828,301
Cash and cash equivalents		<b>571,242</b>	462,389
Total current assets		<b>1,863,577</b>	1,836,893
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>11</i>	<b>1,410</b>	1,659
Other payables and accruals		<b>170,243</b>	194,180
Deposits received		<b>73,790</b>	74,004
Interest-bearing bank borrowings		<b>1,498,600</b>	1,487,000
Tax payable		<b>60,056</b>	55,685
Total current liabilities		<b>1,804,099</b>	1,812,528
<b>NET CURRENT ASSETS</b>		<b>59,478</b>	24,365
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,338,540</b>	11,524,711

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Amount due to a director	266,580	256,001
Deferred tax liabilities	<u>1,375,963</u>	<u>1,415,321</u>
Total non-current liabilities	<u>1,642,543</u>	<u>1,671,322</u>
<b>Net assets</b>	<u><u>9,695,997</u></u>	<u><u>9,853,389</u></u>
<b>EQUITY</b>		
Equity attributable to owners of the Company		
Issued capital	41,804	41,804
Reserves	<u>7,882,112</u>	<u>8,033,804</u>
	<u>7,923,916</u>	<u>8,075,608</u>
Non-controlling interests	<u>1,772,081</u>	<u>1,777,781</u>
<b>Total equity</b>	<u><u>9,695,997</u></u>	<u><u>9,853,389</u></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 2022. 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 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>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</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 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>2</sup></i>
HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	<i>Insurance contracts<sup>1</sup></i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback<sup>3</sup></i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies<sup>1</sup></i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates<sup>1</sup></i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction<sup>1</sup></i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)<sup>3</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2024

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 2. OPERATING SEGMENT INFORMATION

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

Segment assets exclude other unallocated head office, corporate assets and interest in an associate.

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 (2021: Nil).

## Years ended 31 December 2022 and 2021

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>								
Revenue from external customers	<u>201,945</u>	<u>200,224</u>	<u>36,682</u>	<u>37,617</u>	<u>35,086</u>	<u>30,421</u>	<u>273,713</u>	<u>268,262</u>
<b>Segment results</b>	<u>137,579</u>	<u>245,555</u>	<u>(629)</u>	<u>(9,963)</u>	<u>(24,005)</u>	<u>(23,744)</u>	<u>112,945</u>	<u>211,848</u>
<i>Reconciliation:</i>								
Unallocated corporate expenses							(24,807)	(16,760)
Interest income on bank deposits							9,203	3,847
Fair value changes on investment properties, net	391,636	413,329	-	-	-	-	391,636	413,329
Share of loss of an associate							(5)	-
Other gains							12,524	15,926
Finance costs							(37,350)	(16,955)
Profit before tax							<u>464,146</u>	<u>611,235</u>
	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment assets</b>	<u>12,041,951</u>	<u>12,145,033</u>	<u>30,947</u>	<u>40,663</u>	<u>762,939</u>	<u>817,665</u>	<u>12,835,837</u>	<u>13,003,361</u>
<i>Reconciliation:</i>								
Corporate and unallocated assets							<u>306,802</u>	<u>333,878</u>
Total assets							<u>13,142,639</u>	<u>13,337,239</u>
<b>Segment liabilities</b>	<u>186,359</u>	<u>198,260</u>	<u>19,842</u>	<u>23,138</u>	<u>1,063</u>	<u>568</u>	<u>207,264</u>	<u>221,966</u>
<i>Reconciliation:</i>								
Corporate and unallocated liabilities							<u>3,239,378</u>	<u>3,261,884</u>
Total liabilities							<u>3,446,642</u>	<u>3,483,850</u>

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Other segment information:</b>										
Depreciation and amortisation	2,915	2,944	15	453	-	-	5	6	2,935	3,403
Fair value changes on investment properties, net	391,636	413,329	-	-	-	-	-	-	391,636	413,329
Fair value changes on financial assets at fair value through profit or loss, net	-	-	-	(28)	55,525	53,481	-	-	55,525	53,453
Capital expenditure*	27	102	-	-	-	-	27	6	54	108
Loss on disposal of investment properties	-	471	-	-	-	-	-	-	-	471
Reversal of impairment of property, plant and equipment	-	(60,334)	-	-	-	-	-	-	-	(60,334)

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

## Geographical information

(a)	Hong Kong		Mainland China		Total	
	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	108,208	102,712	165,505	165,550	273,713	268,262

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 2022 and 2021.

(b)	Hong Kong		Mainland China		Malaysia		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets	4,221,224	4,168,076	6,923,427	7,203,852	134,081	128,088	11,278,732	11,500,016

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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Serviced apartment and property management services	<u>36,682</u>	<u>37,617</u>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	201,945	200,224
Dividend income from listed equity investments	<u>35,086</u>	<u>30,421</u>
	<u>237,031</u>	<u>230,645</u>
	<u>273,713</u>	<u>268,262</u>

#### Revenue from contracts with customers

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
By source of revenue:		
<i>Revenue recognised overtime</i>		
Serviced apartment and property management services	<u>36,682</u>	<u>37,617</u>
By geographical locations:		
Hong Kong	1,077	1,269
Mainland China	<u>35,605</u>	<u>36,348</u>
	<u>36,682</u>	<u>37,617</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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Government grants and subsidies ( <i>Note</i> )	6,786	10,048
Interest income on bank balances	9,203	3,847
Others	5,738	5,878
	<u>21,727</u>	<u>19,773</u>

*Note:*

During the current year, the Group recognised government grants of HK\$6,389,000 (2021: HK\$10,048,000) in respect of professional service business development by the People's Republic of China government.

## 4. PROFIT BEFORE TAX

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Auditors' remuneration – audit services	856	780
Cost of services provided	42,916	52,094
Depreciation of property, plant and equipment	2,927	3,394
Depreciation of right-of-use assets	8	9
Loss on disposal of investment properties	–	471
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	20,926	30,034
Foreign exchange differences, net	48,834	(13,000)
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and benefits in kind	29,855	28,600
Pension scheme contributions (defined contribution scheme) ( <i>Note (i)</i> )	740	2,097
Total staff costs	<u>30,595</u>	<u>30,697</u>

*Notes:*

- (i) At 31 December 2022, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank loans	<u>37,350</u>	<u>16,955</u>

## 6. INTEREST IN AN ASSOCIATE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Unlisted investment</b>		
Cost of investment	62	–
Less: share of loss of an associate	<u>(5)</u>	<u>–</u>
	<u>57</u>	<u>–</u>

Particulars of the Group's associate are as follows:

Name	Particulars of issued share capital	Place of incorporation/ registration/ and business	Percentage of ownership interest attributable to the Group		Principal activities
			2022 %	2021 %	
Tapah Land Development SDN BHD	35 ordinary shares of RM1,000 each	Malaysia	35	–	Investment property

The Group's shareholdings in the associate's equity shares are indirectly held by the Company through wholly-owned subsidiary.

The Group's associate is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's associate extracted from their financial statements:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current assets	<b>13,526</b>	–
Current liabilities	<b>(13,363)</b>	–
Net assets	<b>163</b>	–
Reconciliation to the Group's interest in the associate:		
Group's share of net assets of the associate	<b>35%</b>	–
Carrying amount of the investment	<b>57</b>	–
Loss for the year	<b>(8)</b>	–
Total comprehensive expense for the year	<b>(8)</b>	–

## 7. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime of Hong Kong Profit tax, the first HK\$2 million of assessable profits of qualifying group entities will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2021: 16.5%). Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profit and at 16.5% on the estimated assessable profit above HK\$2 million.

Under the Law of the PRC on Corporate Income Tax and Implementation Regulation of the Corporate Income Tax Law, the tax rate of the PRC subsidiaries is 25% for both years.

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.

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current – Hong Kong Charge for the year	<b>3,447</b>	4,834
Current – Mainland China Charge for the year	<b>13,701</b>	12,048
Current – Malaysia Charge for the year	<b>19</b>	–
Deferred tax	<b>75,718</b>	104,709
Total tax charge for the year	<b>92,885</b>	121,591

## 8. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interim dividend – HK2 cents per ordinary share of par value HK\$0.05 each (2021: HK2 cents per ordinary share of par value HK\$0.05 each)	16,721	16,721
Proposed final dividend – HK2 cents per ordinary share of par value HK\$0.05 each (2021: HK2.50 cents per ordinary share of par value HK\$0.05 each)	16,721	20,902
	<u>33,442</u>	<u>37,623</u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 25 May 2023, dividend warrants will be posted on or about 21 June 2023 to shareholders whose names appear on the register of members of the Company on 7 June 2023.

## 9. 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\$264,120,000 (2021: HK\$421,295,000) and the weighted average number of ordinary shares of 836,074,218 (2021: 836,074,218).

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

## 10. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	9,915	9,260
Less: loss allowance	—	—
	<u>9,915</u>	<u>9,260</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:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	<b>2,246</b>	1,542
1 to 2 months	<b>511</b>	947
2 to 3 months	<b>1</b>	253
3 to 12 months	<b>1,537</b>	3,994
Over 1 year	<b>5,620</b>	2,524
	<b>9,915</b>	9,260

## 11. 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:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	<b>1,410</b>	1,659

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

## 12. 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, 22 May 2023 to Thursday, 25 May 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 19 May 2023.
- (ii) from Monday, 5 June 2023 to Wednesday, 7 June 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 2 June 2023.

## **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 2022 (2021: HK\$72 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 88% and generated rental and management fee revenue of approximately HK\$166 million in 2022 (2021: HK\$166 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 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, and the judicial proceedings are still in progress.

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**

As of 31 December 2022, the Group held approximately HK\$761 million (31 December 2021: HK\$816 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\$56 million for the year (2021: loss of HK\$53 million) when marking the investment portfolio to market valuation as of 31 December 2022 along with dividend income of approximately HK\$35 million in 2022 (2021: HK\$30 million).

The equity investments held by the Group as at 31 December 2022 were as follows:

Stock Code	Company Name	Principal Business	Number of shares held as at 31 December 2022	Percentage of shareholding as at 31 December 2022	Investment cost	Realised	Unrealised	Dividend income	Fair value/ carrying amount as at 31 December 2022	Percentage to the Company's total asset as at 31 December 2022
						on change in fair value for the year ended 31 December 2022	gain/ (loss) on change in fair value for the year ended 31 December 2022			
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	0.12	196,381	-	(28,260)	5,024	156,372	1.19
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	-	9,475	12,163	278,806	2.12
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	0.60	337,354	-	(41,345)	5,461	181,152	1.38
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	-	879	7,586	83,212	0.64
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	-	1,683	1,574	17,595	0.14

Stock Code	Company Name	Principal Business	Number of shares held as at 31 December 2022	Percentage of shareholding as at 31 December 2022	Investment cost	Realised	Unrealised	Dividend income	Fair value/ carrying amount as at 31 December 2022	Percentage to the Company's total asset as at 31 December 2022
						on change in fair value for the year ended 31 December 2022	gain/ (loss) on change in fair value for the year ended 31 December 2022			
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
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	-	480	762	13,400	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	-	238	824	8,489	0.06
	Other listed securities#				56,014	-	1,325	1,692	21,488	0.16
						-	(55,525)	35,086	760,514	5.79

# 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 2022.

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 its portfolio of investments as the Board considers appropriate.

## **FINANCIAL REVIEW**

The Group recorded a decrease of over 24% in net profit for the year ended 31 December 2022 to approximately HK\$371 million (2021: HK\$489 million). The substantial decrease in profit was mainly due to (i) an increase in fair value loss on equity investments, (ii) a decrease in fair value gain on investment properties; (iii) the more than doubled finance costs; and (iv) the net loss on foreign exchange differences primarily related to the depreciation of Renminbi against Hong Kong dollars.

The Group's rental and property management services income increased by approximately 0.3% to approximately HK\$239 million in 2022 (2021: HK\$238 million). During the year, rental income from Hong Kong increased by approximately 2% to approximately HK\$72 million (2021: HK\$71 million), while rental and management fee income from hotel-serviced apartments and villas in Shanghai remain stable as approximately HK\$166 million (2021: HK\$166 million).

The Group's equity investments recorded an increase in fair value loss of approximately 6% to approximately HK\$56 million in 2022 (2021: HK\$53 million). These equity investments recorded an increase in dividend income of approximately 17% to approximately HK\$35 million during the year (2021: HK\$30 million).

Investment properties held by the Group record a decrease in fair value gain of approximately 5% to HK\$392 million in 2022 (2021: HK\$413 million). As at 31 December 2022, fair value of the Group's investment properties decreased by approximately 2% from the end of last year to approximately HK\$11,022 million (31 December 2021: HK\$11,232 million)

## **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 2022.

## **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 2022, the Group did not have any 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 amounted to approximately HK\$761 million as of 31 December 2022 (31 December 2021: HK\$816 million). The Group's cash and cash equivalents as of 31 December 2022 amounted to approximately HK\$571 million (31 December 2021: HK\$462 million).

As of 31 December 2022, the Group had total bank and other borrowings amounted to approximately HK\$1,499 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. 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 2022, ignoring the effect of any repayment on-demand clause, was as follows:

	<i>HK\$'000</i>
Within one year	367,900
In the second year	20,900
In the third to fifth years, inclusive	<u>1,109,800</u>
Total	<u><u>1,498,600</u></u>

With the total bank and other borrowings of approximately HK\$1,499 million (2021: HK\$1,487 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$11,195 million (2021: HK\$11,340 million), the Group's gearing ratio as at 31 December 2022 was around 13% (31 December 2021: 13%).

## CONTINGENT LIABILITY

As of 31 December 2022, the Group had no material contingent liability.

## COMMITMENTS

As at 31 December 2022, the Group had committed payment for the construction and land development expenditure amounted to approximately HK\$4 million (31 December 2021: HK\$5 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 2022, the Group had approximately 200 employees in Shanghai, Zhuhai and Hong Kong. During the year, the staff costs (including directors' emoluments) amounted to approximately HK\$31 million (2021: HK\$31 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 US Federal Reserve's continuing interest rates hike, the worsening banking crisis in the United States and Europe, and the escalating geopolitical conflict in Europe, are among the uncertainties the global economy is now facing. Although economic activities in Hong Kong and the Mainland China has gradually recovered following the almost complete lifting of cross-border travel restrictions, the slower than expected recovery means one should not be overly optimistic to the short- to medium-term economic prospects of Hong Kong and the Mainland China.

### **Property investment**

The complete lifting of pandemic containment measures in Hong Kong has provided a boost to industries such as the food and beverage industry, tourism industry and retail industry, but seems to have no significant direct effect on the Group's business. The overall demand for offices and industrial units in Hong Kong remains weak for the time being and is still much lower than that of before the pandemic. Moreover, with the ultra-low interest rate environment ended, the rising finance costs may further weaken the Group's profitability. The Group's hotel-serviced villas and apartments in Shanghai has been a major source of stable income and cash flow over the past years, but the slowdown in economic growth in the Mainland China has brought concerns to the business performance in the city over the coming years. Taking into consideration the above factors, the management believes that a cautious approach should be taken in predicting the Group's financial performance for 2023.

To diversify risks and enhance profitability, the Group has started investing outside Hong Kong and Mainland China. The management is now conducting a preliminary assessment of the development plans for the Group's over 1.1 million square feet land bank in Malaysia, and is also assessing the feasibility of further expanding the Group's exposure in Malaysia and other Southeast Asian countries.

## **Financial investment**

The performance of the Group's listed equity investments has always been highly correlated to that of the financial markets, and the financial markets around the world are expected to remain volatile in 2023 amid the worldwide economic and geopolitical uncertainties. The management will closely monitor the risks associated with the financial investments and will take timely and appropriate measures when necessary.

The post-epidemic era is believed to be challenging, but it is also going to be full of opportunities. The Group will keep pace with the times to ensure the sustainability and competitiveness of its core business, and will grasp investment opportunities to create value for its 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 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.

## **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 D.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 2022 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 profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 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 2022.

## **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](http://www.irasia.com/listco/hk/multifield/index.htm)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for 2022 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, 27 March 2023