



MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 898)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

INTERIM RESULTS

The Board of Directors 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 2007 (the “period”), together with the unaudited comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
	Notes	2007	2006
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
REVENUE	2	83,100	87,228
Cost of sales		<u>(12,573)</u>	<u>(11,790)</u>
Gross profit		70,527	75,438
Other income and gains	2	38,825	27,807
Operating and administrative expenses		(25,349)	(18,258)
Finance costs	4	<u>(15,312)</u>	<u>(17,399)</u>
PROFIT BEFORE TAX	5	68,691	67,588
Tax	6	<u>(5,849)</u>	<u>(9,965)</u>
PROFIT FOR THE PERIOD		<u>62,842</u>	<u>57,623</u>
ATTRIBUTABLE TO:			
Equity holders of the Company		41,203	40,789
Minority interests		<u>21,639</u>	<u>16,834</u>
		<u>62,842</u>	<u>57,623</u>
INTERIM DIVIDEND PER SHARE	7	<u>0.3 cents</u>	<u>Nil</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	8	<u>0.99 cents</u>	<u>0.98 cents</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 June 2007 <i>(Unaudited)</i> <i>HK\$'000</i>	As at 31 December 2006 <i>(Audited)</i> <i>HK\$'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	226,250	212,177
Investment properties	2,470,430	2,498,930
Prepaid land lease payments	472	476
Available-for-sale investments	9,270	9,270
Equity-linked notes	<u>33,963</u>	<u>74,236</u>
 Total non-current assets	 <u>2,740,385</u>	 <u>2,795,089</u>
CURRENT ASSETS		
Inventories	888	1,325
Properties held for sale	281,851	281,851
Trade receivables	11,227	9,968
Prepayments, deposits and other receivables	62,261	40,270
Equity investments at fair value through profit or loss	153,430	130,407
Pledged deposits	185,198	167,354
Cash and cash equivalents	<u>263,419</u>	<u>276,212</u>
 Total current assets	 <u>958,274</u>	 <u>907,387</u>
 TOTAL ASSETS	 <u>3,698,659</u>	 <u>3,702,476</u>
CURRENT LIABILITIES		
Trade payables	1,257	1,726
Accrued expenses and other payables	119,356	110,454
Deposits received	44,719	43,816
Interest-bearing borrowing	165,072	203,125
Tax payable	109,157	113,053
Dividend payable	<u>16,721</u>	<u>—</u>
 Total current liabilities	 <u>456,282</u>	 <u>472,174</u>
 NET CURRENT ASSETS	 <u>501,992</u>	 <u>435,213</u>

	As at 30 June 2007 <i>(Unaudited)</i> <i>HK\$'000</i>	As at 31 December 2006 <i>(Audited)</i> <i>HK\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,242,377</u>	<u>3,230,302</u>
NON-CURRENT LIABILITIES		
Interest-bearing borrowings	628,110	655,698
Due to a director	—	1,058
Deferred tax liabilities	<u>439,192</u>	<u>439,192</u>
Total non-current liabilities	<u>1,067,302</u>	<u>1,095,948</u>
Net assets	<u>2,175,075</u>	<u>2,134,354</u>
CAPITAL AND RESERVES		
Equity attributable to equity holders of the Company		
Share capital	41,804	41,804
Reserves	1,409,774	1,381,112
Proposed dividend	<u>12,541</u>	<u>16,721</u>
	1,464,119	1,439,637
Minority interests	<u>710,956</u>	<u>694,717</u>
Total equity	<u>2,175,075</u>	<u>2,134,354</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. 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 2006.

In the current period, the Group has adopted, for the first time, a number of new standards, amendments and interpretations (hereinafter collectively referred to as the “new HKFRSs”) issued by the HKICPA, which are effective for accounting periods beginning on or after 31 December 2005 or 1 January 2006. The adoption of these new HKFRSs has had no material effect on how the results of operations and financial position of the Group are prepared and presented for the current and prior accounting periods.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions ²
HK(IFRIC)-Int 12	Service Concession Arrangements ³

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 March 2007.

³ Effective for annual periods beginning on or after 1 January 2008.

The interim results are unaudited, but have been reviewed by the Audit Committee which is of the opinion that such financial statements complied with the applicable accounting standards, and that adequate disclosures have been made.

2. REVENUE, OTHER INCOME AND GAINS

Revenue represents the aggregate of the invoiced value of goods sold, after allowance for returns and trade discounts, and the total amounts received and receivable from the provision of serviced apartment and property management services and rental income, net of PRC business taxes, from property letting, after elimination of all significant intra-group transactions.

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

	For the six months ended 30 June	
	2007	2006
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Rental income from property letting	69,414	74,806
Serviced apartment and property management	9,838	7,953
Manufacturing and trading of electronic products	3,848	4,469
	<u>83,100</u>	<u>87,228</u>
Other income and gains		
Interest income	12,132	8,043
Gain on disposal of equity investments at fair value through profit or loss	2,163	9,380
Dividend income from listed investments	1,971	2,292
Fair value gains, net		
Equity investments at fair value through profit or loss	19,884	1,102
Others	2,675	6,990
	<u>38,825</u>	<u>27,807</u>

3. SEGMENT INFORMATION

The analysis of the geographical segments and business segments of the operation of the Group during the period is as follows:

(a) Geographical segments

	Hong Kong		Elsewhere in the PRC		Consolidated	
	For the six months ended 30 June					
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Segment revenue:						
Sales to external customers	<u>14,827</u>	<u>21,052</u>	<u>68,273</u>	<u>66,176</u>	<u>83,100</u>	<u>87,228</u>
Segment results	<u>4,666</u>	<u>5,992</u>	<u>40,512</u>	<u>58,227</u>	<u>45,178</u>	64,219
Other income and gains					<u>38,825</u>	27,807
Unallocated expenses					—	(7,039)
Finance costs					<u>(15,312)</u>	<u>(17,399)</u>
Profit before tax					<u>68,691</u>	67,588
Tax					<u>(5,849)</u>	<u>(9,965)</u>
Profit for the period					<u>62,842</u>	<u>57,623</u>

(b) Business segments

	Property Investment		Provision of serviced apartment and property management services		Electronic products		Corporate and others		Consolidated	
	For the six months ended 30 June									
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Segment revenue:										
Sales to external customers	<u>69,414</u>	<u>74,806</u>	<u>9,838</u>	<u>7,953</u>	<u>3,848</u>	<u>4,469</u>	—	—	<u>83,100</u>	<u>87,228</u>
Segment result	<u>25,252</u>	<u>67,607</u>	<u>801</u>	<u>1,776</u>	<u>(751)</u>	<u>(1,103)</u>	<u>19,876</u>	<u>(1,141)</u>	<u>45,178</u>	<u>67,139</u>

4. FINANCE COSTS

	For the six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on secured bank loans	<u>15,312</u>	<u>17,399</u>

5. PROFIT BEFORE TAX

Profit before tax was arrived at after charging the following:

	For the six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	2,067	3,012
Depreciation of owned assets	775	639
Amortisation of land lease payments	4	4
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	<u>7,772</u>	<u>6,079</u>

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong for the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations, and practices in respect thereof.

	For the six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
Charge for the period	5,849	9,965
Overprovision in prior years	<u>—</u>	<u>—</u>
Total tax charge for the period	<u>5,849</u>	<u>9,965</u>

7. INTERIM DIVIDEND PER SHARE

The Board of Directors has resolved to distribute an interim dividend of 0.3 HK cent (2006: Nil) per ordinary share to shareholders whose names appear on the Register of Members of the Company on 18 October 2007. The interim dividend will be distributed to the shareholders on 25 October 2007.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for the period attributable to equity holders of the Company for the period of approximately HK\$41,203,000 (2006: HK\$40,789,000) and the weighted average number of 4,180,371,092 (2006: 4,180,371,092) shares in issue during the period under review.

Diluted earnings per share for the six months ended 30 June 2007 and 2006 have not been disclosed as no diluting events existed during both periods.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 October 2007 to 18 October 2007, both days inclusive, during which period, no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars in Hong Kong, Tengis Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 15 October 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group continued to focus principally on its core business of property investments. During the first half of 2007, the Group maintained a steady growth and recorded a net profit of approximately HK\$62.8 million (2006: HK\$57.6 million), an increase of 9% as compared with the corresponding period of 2006.

PROPERTY INVESTMENT

Hong Kong

During the first half of 2007, the global economy remained positive and Hong Kong continued to benefit from the strong economic growth in the PRC.

The investment properties in Hong Kong continued to maintain an average occupancy rate of 70% and generated a rental revenue of approximately HK\$11 million for the period under review (2006: HK\$16 million), with a decrease of 31.25% as compared with 2006 as a result of disposal of Multifield Building in 2006.

Shanghai, PRC

The macro-economic situation in the PRC was strong during the period under review despite the PRC government adopted a number of new austerity measures on the property market and the financial market.

The Group's Shanghai serviced villas/apartments chain, operating under the name "Windsor Renaissance", has already built up a market niche in Shanghai and has continued to generate a strong rental revenue of approximately HK\$62 million during the period under review with an average occupancy rate of over 90%. The expatriate community in Shanghai has regarded "Windsor Renaissance" a symbol of high quality serviced villas/apartments and our tenants base covers hundreds of corporations from all over the world. At present, a portfolio of around 400 serviced villas and apartments are under our management.

Zhuhai, PRC

The land of area of approximately 36,808 square metres in Zhuhai acquired by the Group in June 2006 is still in the process of demolition and removal of existing constructions thereon. The demolition and removal work is expected to be completed before end of 2007.

The Management believes that the acquisition will present a good opportunity for the Group to strengthen its business in the field of property investment in the PRC, and has confidence that the development of the land into a fully integrated shopping mall will bring a remarkable return of investment to the Group.

PORTFOLIO INVESTMENTS

The Group continued to undertake portfolio investments during the period under review since the Group believes that substantial cash balances can be generated from time to time and limited portfolio investment activities will improve the return on cash balances and enhance the Group's profitability. Despite the Hong Kong and other overseas stock markets were very volatile and vulnerable during the first half of 2007, the Group performed at a satisfactory level when marking the investment portfolios to the market valuation as at 30 June 2007.

STEEL TRADING

The Group did not engage in steel trading during the period under review since the management adopted a prudent approach to minimize risk exposure of steel prices which fluctuated significantly. Indeed, the PRC continued to implement macroeconomic control measures to rein in economic development with bank borrowing rates raised and reduced export tax rebate rates for steel products. The management forecasted that the second half of 2007 would still be a hard time for steel markets and accordingly, much more effort has to be devoted to explore other business opportunities.

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 and Shanghai. As at 30 June 2007, the Group had outstanding bank loans amounting to approximately HK\$793 million, which were secured by legal charges on certain investment properties and properties held for sale in Hong Kong and Shanghai. As at 30 June 2007, among the total outstanding bank borrowings, HK\$165 million are repayable within one year. The Group's cash and bank balances and short term bank deposits as at 30 June 2007 amounted to approximately HK\$449 million. The Group's gearing ratio as at 30 June 2007 was approximately 26.7% based on the total bank borrowings of approximately HK\$793 million and the aggregate of the shareholder funds, minority interests and total bank borrowings of approximately HK\$2,968 million.

PERSONNEL

As at 30 June 2007, the Group had a total of 410 employees, of whom 380 were based in the PRC and 30 in Hong Kong. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account current industry practices.

In addition to the provision of provident fund scheme, medical allowance, in-house and external training programs, discretionary bonus and share option scheme are also available to employees based on their performance. The remuneration policy and packages of the Group's employees are reviewed regularly.

PROSPECTS

During the period under review, Hong Kong's Gross Domestic Product ("GDP") achieved growth of 5.6% as compared to the same period of last year, whilst the unemployment rate fell to a nine-year low of 4.2% in the second quarter of 2007. In addition, the opening of the Hong Kong-Shenzhen Western Corridor in July 2007 is expected to enhance accessibility and facilitate the expansion of trade across the border. Under these favorable conditions, the property market in Hong Kong should be sustainable and the Group will continue to seek for appropriate good investment opportunities.

According to the information from National Bureau of Statistics, the PRC's GDP in the first half of 2007 amounted to RMB10,676.8 billion, representing a year-on-year growth of 11.5%. The investment of property development in the PRC increased 28.5% to reach RMB988.7 billion, 4.3% higher than that of the same period in the previous year. In view of the rapid growth of macro-economy in the PRC and the accelerated consolidation of the property market, the Group is of the view that the property industry will continue to grow steadily after necessary adjustments. Indeed, we feel very optimistic about our existing serviced villas/apartments chain operation in Shanghai and the future land development in Zhuhai.

In the second half of 2007, the Group will under the principle of prudence carefully while actively identify development projects that have good potential for development, and put much effort on identifying new development projects opportunities and high quality land banks for future growth in the PRC with focus in Zhuhai.

PURCHASES, SALES OR REDEMPTIONS OF THE COMPANY'S LISTED SECURITIES

During the period, there were no purchases, sales or redemptions of the Company's listed securities by the Company or by any of its subsidiaries.

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 2007.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2007, save as disclosed below:

- (a) Under the 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, if necessary, in order to ensure compliance with the Code on Corporate Governance Practices.

- (b) Under the code provision of A.2, the role of chairman and chief executive officer should be separated and should not be performed by the same individual.

The Company does not at present have any officer with the title of “chief executive officer”. Mr Lau Chi Yung, Kenneth is the chairman and managing director of the Company. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to respond promptly and efficiently.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company’s code of conduct of dealings in securities of the Company by the directors. Based on specific enquiry of the Company’s directors, the directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the interim report.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under the section “Latest Listed Company Information” and on the website of the Company at <http://www.irasia.com/listco/hk/multifield/index.htm>. The 2007 Interim Report containing all the information required under paragraphs 46(1) to 46(6) of Appendix 16 of the Rules Governing the Listing of Securities on the Exchange will be published on the same websites in due course.

BOARD OF DIRECTORS

As at the date hereof, the Board of Directors of the Company comprises five Directors of whom two are Executive Directors, namely Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi; and three Independent Non-executive Directors, namely Mr. Choy Tak Ho, Mr. Lee Siu Man, Ervin and Mr. Wong Yim Sum.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 19 September 2007