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Multifield

MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2008

	Notes	2008 HK\$'000	2007 HK\$'000 (restated)
REVENUE	2	83,953	198,098
Cost of sales		<u>(23,053)</u>	<u>(22,556)</u>
Gross profit		60,900	175,542
Other income and gains	2	154,220	169,313
Operating and administrative expenses		<u>(49,013)</u>	<u>(27,074)</u>
Finance costs	4	<u>(22,642)</u>	<u>(42,823)</u>
PROFIT BEFORE TAX	5	143,465	274,958
Tax	6	<u>(17,748)</u>	<u>(12,069)</u>
PROFIT FOR THE YEAR		<u>125,717</u>	<u>262,889</u>
Attributable to:			
Equity holders of the Company		50,925	220,477
Minority interests		<u>74,792</u>	<u>42,412</u>
		<u>125,717</u>	<u>262,889</u>
DIVIDENDS	7		
Interim		12,541	12,541
Proposed final		<u>18,812</u>	<u>18,812</u>
		<u>31,353</u>	<u>31,353</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>1.22 cents</u>	<u>5.27 cents</u>

CONSOLIDATED BALANCE SHEET

31 December 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		341,454	324,395
Investment properties		3,024,870	2,781,460
Prepaid land lease payments		459	468
Available-for-sale investments		<u>38,572</u>	<u>9,460</u>
Total non-current assets		<u>3,405,355</u>	<u>3,115,783</u>
CURRENT ASSETS			
Inventories		595	819
Properties held for sale		281,851	281,851
Trade receivables	9	7,767	8,677
Prepayments, deposits and other receivables		55,078	61,762
Equity investments at fair value through profit or loss		57,985	94,283
Equity-linked notes		11,668	22,724
Pledged deposits		133,202	210,785
Cash and cash equivalents		<u>136,210</u>	<u>299,411</u>
Total current assets		<u>684,356</u>	<u>980,312</u>
TOTAL ASSETS		<u>4,089,711</u>	<u>4,096,095</u>
CURRENT LIABILITIES			
Trade payables	10	1,427	1,383
Other payables and accruals		232,668	227,811
Deposits received		46,043	46,941
Derivative financial instruments		21,222	—
Interest-bearing bank and other borrowings		172,581	253,283
Tax payable		<u>19,798</u>	<u>14,164</u>
Total current liabilities		<u>493,739</u>	<u>543,582</u>
NET CURRENT ASSETS		<u>190,617</u>	<u>436,730</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,595,972</u>	<u>3,552,513</u>

CONSOLIDATED BALANCE SHEET

31 December 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		558,255	585,022
Due to a director		33,610	38,778
Deferred tax liabilities		<u>439,354</u>	<u>438,855</u>
Total non-current liabilities		<u>1,031,219</u>	<u>1,062,655</u>
Net assets		<u><u>2,564,753</u></u>	<u><u>2,489,858</u></u>
 CAPITAL AND RESERVES			
Equity attributable to equity holders of the Company			
Issued capital		41,804	41,804
Reserves		1,811,906	1,702,936
Proposed final dividend		<u>18,812</u>	<u>18,812</u>
Minority interests		<u>1,872,522</u> <u>692,231</u>	<u>1,763,552</u> <u>726,306</u>
Total equity		<u><u>2,564,753</u></u>	<u><u>2,489,858</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, 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 certain financial instruments, 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 the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2008. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries.

1.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new interpretations and amendments has had no significant effect on these financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> and HKFRS 7 <i>Financial Instruments: Disclosures</i> — <i>Reclassification of Financial Assets</i>
HK(IFRIC)-Int 11	HKFRS 2 — <i>Group and Treasury Share Transactions</i>
HK(IFRIC)-Int 12	<i>Service Concession Arrangements</i>
HK(IFRIC)-Int 14	HKAS 19 — <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>

The principal effects of adopting these new and revised HKFRSs are as follows:

- (a) Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures — Reclassification of Financial Assets*

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held for trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing in the near term, if specified criteria are met.

A debt instrument that would have met the definition of loans and receivables (if it had not been required to be classified as held for trading at initial recognition) may be classified out of the fair value through profit or loss category or (if it had not been designated as available for sale) may be classified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold it for the foreseeable future or until maturity.

In rare circumstances, financial assets that are not eligible for classification as loans and receivables may be transferred from the held-for-trading category to the available-for-sale category or to the held to maturity category (in the case of a debt instrument), if the financial asset is no longer held for the purpose of selling or repurchasing in the near term.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above. The amendments are effective from 1 July 2008.

As the Group has not reclassified any of its financial instruments, the amendments have had no impact on the financial position or results of operations of the Group.

- (b) HK(IFRIC)-Int 11 *HKFRS 2 - Group and Treasury Share Transactions*

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group buys the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no impact on the financial position or results of operations of the Group.

- (c) HK(IFRIC)-Int 12 *Service Concession Arrangements*

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for obligations undertaken and the rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has had no impact on the financial position or results of operations of the Group.

- (d) HK(IFRIC)-Int 14 *HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, including situations when a minimum funding requirement exists. As the Group has no defined benefit scheme, the interpretation has had no effect on these financial statements.

1.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i> ¹
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment — Vesting Conditions and Cancellations</i> ¹
HKFRS 1 (Revised)	<i>First-time Adoption of HKFRS</i>
HKFRS 3 (Revised)	<i>Business Combinations</i> ²
HKFRS 8	<i>Operating Segments</i> ¹
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i> ¹
HKAS 23 (Revised)	<i>Borrowing Costs</i> ¹
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> ²
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation</i> ¹
HKAS 39 Amendment	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement — Eligible Hedged Items</i> ²
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i> ³
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i> ¹
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i> ⁴
HK(IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners</i> ²
HK(IFRIC)-Int 18	<i>Transfer of Assets from customers</i> ⁵

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

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

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 July 2008

⁴ Effective for annual periods beginning on or after 1 October 2008

⁵ Effective for transfers of assets from customers received on or after 1 July 2009

* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised), HKAS 27 (Revised) and HKAS 23 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2. REVENUE, OTHER INCOME AND GAINS

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

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i> <i>(restated)</i>
Revenue		
Rental income from property letting	151,882	146,627
Service apartment and property management	14,373	14,425
Sale of goods	5,862	7,934
Fair value (losses)/gains, net:		
Equity-linked notes	(20,171)	(16,412)
Equity investment at fair value through profit or loss	(55,804)	40,576
Derivative financial instruments	(21,222)	—
Dividend income from listed investments	4,396	2,890
Interest income from available-for-sale investments	2,380	708
Interest income from equity-linked notes	<u>2,257</u>	<u>1,350</u>
	<u><u>83,953</u></u>	<u><u>198,098</u></u>
Other income and gains		
Interest income from loans and receivables	7,040	21,949
Fair value gains on investment properties	116,022	134,242
Gain on disposal of items of property, plant and equipment	19,607	1,056
Others	<u>11,551</u>	<u>12,066</u>
	<u><u>154,220</u></u>	<u><u>169,313</u></u>

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately accordingly to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the electronic products segment is a supplier of electronic components mainly for use in the manufacture of electronic products;
- (b) the provision of service apartment and property management segment;
- (c) the trading and investment segment includes the trading of securities and investment income from securities investment and investment holding;
- (d) the property investment segment mainly comprises rental income from investment properties; and
- (e) the corporate and others segment.

In determining the Group's geographical segments, revenue is attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

There are no sales or other transactions between the business segments during the year (2007: Nil).

(a) **Business segments**

The following tables present revenue and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2008 and 2007:

Group	Property investment		Provision of service apartment and property management services		Trading and investment		Electronic products		Corporate and others		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(restated)		(restated)		(restated)		(restated)		(restated)		(restated)
Segment revenue:												
Sales to external customers	151,882	146,627	14,373	14,425	(88,164)	29,112	5,862	7,934	—	—	83,953	198,098
Segment results	111,833	136,393	(13,835)	(12,494)	(111,501)	23,287	(2,369)	(684)	27,759	1,966	11,887	148,468
Other income and gains											154,220	169,313
Finance costs											(22,642)	(42,823)
Profit before tax											143,465	274,958
Tax											(17,748)	(12,069)
Profit for the year											125,717	262,889
Assets and liabilities:												
Segment assets	3,533,784	3,307,217	23,851	164,357	167,932	300,021	6,856	6,133	357,288	318,367	4,089,711	4,096,095
Total assets											4,089,711	4,096,095
Segment liabilities	146,162	43,698	31,954	11,443	24,419	4,956	3,496	3,877	21,259	147,736	227,290	211,710
Unallocated liabilities											1,297,668	1,394,527
Total liabilities											1,524,958	1,606,237
Other segment information:												
Depreciation	750	2,494	614	689	—	—	74	85	2,284	1,286	3,722	4,554
Change in fair value of investment properties	116,022	134,242	—	—	—	—	—	—	—	—	116,022	134,242
Impairment loss recognised in the income statement	—	(20)	—	—	3,842	—	—	—	—	—	3,842	(20)
Capital expenditure	73,883	117,582	102	719	—	—	64	44	12,384	5,927	86,433	124,272

(b) **Geographical segments**

Group	Hong Kong		Elsewhere in the PRC		Consolidated	
	2008	2007	2008	2007	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(restated)</i>		<i>(restated)</i>		<i>(restated)</i>
Segment revenue:						
Sales to external customers	<u>(55,898)</u>	<u>58,173</u>	<u>139,851</u>	<u>139,925</u>	<u>83,953</u>	<u>198,098</u>
Other segment information:						
Segment assets	938,138	1,373,579	3,151,573	2,722,516	4,089,711	4,096,095
Capital expenditure	<u>74,379</u>	<u>5,834</u>	<u>12,054</u>	<u>118,438</u>	<u>86,433</u>	<u>124,272</u>

4. FINANCE COSTS

	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans, overdrafts and other loans wholly repayable within five years	21,635	9,385
Interest on bank loans not wholly repayable within five years	<u>1,007</u>	<u>33,438</u>
	<u>22,642</u>	<u>42,823</u>

5. PROFIT BEFORE TAX

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

	2008 <i>HK\$'000</i>	2007 <i>HK'000</i> <i>(restated)</i>
Cost of inventories sold	2,102	3,454
Cost of services provided	20,951	19,102
Depreciation of owned assets	3,722	4,554
Amortisation of prepaid land lease payments	9	8
Minimum lease payments under operating leases for land and buildings	1,557	1,525
Auditors' remuneration	650	650
Deficit on revaluation of items of property, plant and equipment*	—	358
Reversal of impairment of trade receivables*	—	(20)
Impairment loss on available-for-sale investments*	3,842	—
Fair value loss on available-for-sale investments (transfer from equity on disposal)	1,205	—
Loss on disposal of investment properties*	—	440
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	11,383	11,278
Foreign exchange differences, net	<u>4,422</u>	<u>(19,421)</u>
Employee benefits expense, including directors' remuneration:		
Salaries, wages and other benefits	15,463	13,789
Pension scheme contributions (defined contribution scheme) <i>(Note)</i>	<u>334</u>	<u>197</u>
	<u>15,797</u>	<u>13,986</u>

* Included in "Operating and administrative expenses" on the face of the consolidated income statement.

Note: At 31 December 2008, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2007: Nil).

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 31 December 2008. 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.

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK'000</i>
Current tax — Hong Kong		
Charge for the year	2,315	1,000
Underprovision/(overprovision) in prior years	513	(1,070)
Current tax — Mainland China		
Charge for the year	12,776	12,476
Underprovision in prior years	1,645	—
Deferred tax	<u>499</u>	<u>(337)</u>
Total tax charge for the year	<u><u>17,748</u></u>	<u><u>12,069</u></u>

7. DIVIDENDS

The Board of Directors has resolved to recommend at the Annual General Meeting to be held on 26 June 2009, the distribution of a final dividend of 0.45 HK cents (2007: 0.45 HK cents) per share. The final dividend if approved, will be distributed to the shareholders on 8 July 2009.

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

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of approximately HK\$50,925,000 (2007: HK\$220,477,000) and the weighted average number of 4,180,371,092 (2007: 4,180,371,092) ordinary shares in issue during the year.

There were no dilutive potential ordinary shares for the years ended 31 December 2008 and 2007.

9. TRADE RECEIVABLES

For the Group's property rental business, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments.

The Group's trading terms with its customers are mainly on credit. Invoices are normally payable within two months of issuance, except for certain well established customers, where the terms are extended to three to six months in some cases, subject to the approval of senior management. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

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

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	1,859	2,329
1 to 2 months	1,586	1,004
2 to 3 months	596	968
Over 3 months	<u>3,726</u>	<u>4,376</u>
	<u><u>7,767</u></u>	<u><u>8,677</u></u>

10. TRADE PAYABLES

An aged analysis of trade payables as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	1,219	1,040
1 to 2 months	52	120
2 to 3 months	—	131
Over 3 months	<u>156</u>	<u>92</u>
	<u><u>1,427</u></u>	<u><u>1,383</u></u>

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

11. COMPARATIVE AMOUNTS

During the year ended 31 December 2008, the Group has undertaken the trading of securities and investment holding as a principal activity of the Group. Certain comparative figures have been reclassified to conform with the current year's presentation.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 June 2009 to 25 June 2009, 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 22 June 2009.

BUSINESS REVIEW

For the year ended 31 December 2008, the Group recorded a net profit attributable to equity holders of the Company of about HK\$126 million (2007: HK\$263 million). The overall performance of the Group was affected by the outbreak of global financial crisis.

PROPERTY INVESTMENT

Hong Kong

During the year under review, the investment properties in Hong Kong maintained an occupancy rate of approximately 75% and contributed stable rental revenue of approximately HK\$26 million (2007: HK\$12 million), with an increase of 117% as compared with 2007. The sharp increase was mainly due to the acquisition of numerous units of total area of approximately 90,800 square feet with car parks in a factory building in June 2008. The purchase consideration was about HK\$70 million. The Group believes that such acquisition would bring a satisfactory return on investment.

Shanghai, PRC

Our serviced apartment chain in Shanghai, operating under the name of "Windsor Renaissance", maintained a steady rental revenue with an occupancy rate of approximately 80%. Our trademark, "Windsor Renaissance", is a symbol of high quality villas and serviced apartments in Shanghai and they are well accepted by the expatriate community in Shanghai.

Zhuhai, PRC

The Group holds two land banks in Zhuhai, PRC. The first land of about 36,808 square metres is located at Santaishi Road, Qianshan commercial business district and for commercial and shopping usages. Another land of about 94,111 square metres in Jingan Town, DouMen commercial business district is at planning stage. This land is for hotel and shopping usages. Both land banks are still in the process of

demolition and removal of existing constructions. The Group believes that these acquisitions of land will further strengthen the business of property investment in the PRC and will bring remarkable return to the Group upon completion of development.

TRADING AND INVESTMENTS

The Group undertakes portfolio investments (Trading and investments segment). Owing to the global financial crisis, the Hong Kong and other overseas stock markets were very volatile. As a result, the Group's portfolio investment recorded a net fair value losses of HK\$97 million when marking the portfolio investment to market valuation as at 31 December 2008.

ELECTRONICS

The electronics division reported a net loss of about HK\$2.3 million (2007: HK\$0.7 million) based on a turnover of HK\$5.9 million (2007: HK\$7.9 million). In view of the continuing loss, the Group has intention to seek a potential buyer to dispose of the related business or close down the division.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by principal bankers in Hong Kong. As at 31 December 2008, the Group had total bank and other borrowings amounting to approximately HK\$731 million (2007: HK\$838 million) which were secured by legal charges on certain investment properties in Hong Kong and Shanghai, and certain cash deposits and securities investment. As at 31 December 2008, about HK\$173 million (2007: HK\$253 million) out of HK\$731 million (2007: HK\$838 million) is repayable with one year. The Group's cash and cash equivalents as at 31 December 2008 amounted to HK\$269 million (2007: HK\$510 million). Based on the total bank and other borrowings of HK\$731 million (2007: HK\$838 million) and the aggregate of the shareholder funds, minority interest and total bank borrowings of approximately HK\$3,296 million (2007: HK\$3,328 million), the Group's gearing ratio as at 31 December 2008 was around 22% (2007: 25%).

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2008, the Group had approximately 325 employees, of whom 280 were based in the PRC and 45 in Hong Kong. The remuneration packages of the Group's employees are mainly based on their performance and experience and the prevailing market condition. In addition to the basic salaries, the Group also provides staff benefits including discretionary bonus, provident fund and tuition/training subsidies in order to retain competent employees.

PROSPECT

Given the adverse effect of financial crisis, the global economic condition will remain challenging in the coming year and major development economies are going into a synchronized recession. Proactive policy responses from various governments are expected to support the global economy. The economy of the PRC is expected to grow steadily this year as the central government adjusted its macro-economic policies to boost markets. The economic stimulus package worth RMB4 trillion, supplemented by reductions in interest rates was a very clear signal that the central government moved quickly to foster stability and healthy development of the economy.

The Group believes that Hong Kong will remain fairly resilient during the downturn as a result of strong backing of Mainland China and its strong economic growth. The Group remains optimistic about the prospect for local property market in the medium and long term because of its strong fundamentals.

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

CORPORATE GOVERNANCE REPORT

In the opinion of the directors of the Company, save as disclosed below, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2008.

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

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

- (b) Under code provision of A.2, the roles 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 of directors 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 BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Based on specific enquiry of all the directors of the Company, the directors of the Company have complied with the required standard as set out in the Model Code for the year ended 31 December 2008.

AUDIT COMMITTEE

The audit committee, comprising of four independent non-executive directors of the Company, has already discussed with management of the Company about the accounting policies and internal controls system adopted by the Group and has reviewed the consolidated financial statements of the Group for the year ended 31 December 2008 before submitting to the Board for approval.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, there were no purchase, sale or redemption of the Company’s listed securities by the Company or by any of its subsidiaries.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement of the Company is published on the websites of the Company (www.irasia.com/listco/hk/multifield/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for 2008 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive directors of the Company are Mr. Choy Tak Ho, Mr. Lee Siu Man, Ervin, Mr. Wong Yim Sum and Mr. Lo Yick Wing.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 17 April 2009