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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 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
REVENUE	3	216,011	282,610
Cost of sales		<u>(32,998)</u>	<u>(35,429)</u>
Gross profit		183,013	247,181
Other income and gains	3	19,848	18,162
Foreign exchange differences, net		3,363	(8,537)
Fair value gains on investment properties		855,188	433,032
Loss on disposal of investment properties		(221)	(1,126)
Operating and administrative expenses		(52,341)	(47,634)
Finance costs	5	<u>(23,087)</u>	<u>(13,912)</u>
PROFIT BEFORE TAX	4	985,763	627,166
Income tax (expense)/credit	6	<u>(81,400)</u>	<u>2,883</u>
PROFIT FOR THE YEAR		<u>904,363</u>	<u>630,049</u>

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		5,267	53,278
Reclassification adjustments for gains included in the consolidated statement of profit or loss – gain on disposal		<u>(737)</u>	<u>(619)</u>
		4,530	52,659
Exchange differences on translation of foreign operations		<u>120,202</u>	<u>67,203</u>
		124,732	119,862
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>124,732</u>	<u>119,862</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			
		<u>124,732</u>	<u>119,862</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		<u><u>1,029,095</u></u>	<u><u>749,911</u></u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		710,464	535,554
Non-controlling interests		<u>193,899</u>	<u>94,495</u>
		<u><u>904,363</u></u>	<u><u>630,049</u></u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		793,269	614,391
Non-controlling interests		<u>235,826</u>	<u>135,520</u>
		<u><u>1,029,095</u></u>	<u><u>749,911</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u><u>17.00 cents</u></u>	<u><u>12.81 cents</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		358,154	297,496
Investment properties		6,272,065	5,249,190
Prepaid land lease payments		416	425
Club debenture		670	670
Available-for-sale investments		3,789	3,789
		<hr/>	<hr/>
Total non-current assets		6,635,094	5,551,570
		<hr/>	<hr/>
CURRENT ASSETS			
Properties held for sale		281,851	281,851
Trade receivables	9	8,207	7,144
Prepayments, deposits and other receivables		49,164	984
Available-for-sale investments		264,521	266,263
Equity investments at fair value through profit or loss		623,993	211,120
Pledged deposits		10,888	77,536
Cash and cash equivalents		181,624	206,874
		<hr/>	<hr/>
Total current assets		1,420,248	1,051,772
		<hr/>	<hr/>
TOTAL ASSETS		8,055,342	6,603,342
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade payables	10	2,656	605
Other payables and accruals		296,427	271,289
Deposits received		57,752	55,605
Interest-bearing bank and other borrowings		1,254,209	922,023
Tax payable		29,144	26,340
		<hr/>	<hr/>
Total current liabilities		1,640,188	1,275,862
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(219,940)	(224,090)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,415,154	5,327,480
		<hr/>	<hr/>

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
NON-CURRENT LIABILITIES			
Amount due to a director		1,498	2,454
Deferred tax liabilities		691,138	607,008
		<hr/>	<hr/>
Total non-current liabilities		692,636	609,462
		<hr/>	<hr/>
Net assets		5,722,518	4,718,018
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital		41,804	41,804
Reserves		4,374,847	3,569,085
Proposed final dividend	7	29,263	27,172
		<hr/>	<hr/>
		4,445,914	3,638,061
Non-controlling interests		1,276,604	1,079,957
		<hr/>	<hr/>
Total equity		5,722,518	4,718,018
		<hr/> <hr/>	<hr/> <hr/>

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 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.

Going concern

The Group had net current liabilities of approximately HK\$219,940,000 at the end of the reporting period. Notwithstanding the above, the directors of the Company have prepared the financial statements on the going concern basis on the assumption that the Group will continue to operate as a going concern for the foreseeable future as Power Resources Holdings Limited has confirmed to provide necessary funds to the Group so as to enable the Group to discharge its obligations as and when they fall due.

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 2013. 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 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 other comprehensive income 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 new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
<i>Annual Improvements 2009-2011 Cycle</i>	Amendments to a number of HKFRSs issued in June 2012

The adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

1.3 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 9	<i>Financial Instruments</i> ⁴
HKFRS 14	<i>Regulatory Deferral Accounts</i> ³
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	<i>Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39</i> ⁴
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> ¹
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ¹
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> ¹
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i> ¹

HK(IFRIC)-Int 21 <i>Annual Improvements 2010-2012 cycle</i>	<i>Levies</i> ¹ Amendments to a number of HKFRSs issued in January 2014 ²
<i>Annual Improvements 2011-2013 cycle</i>	Amendments to a number of HKFRSs issued in January 2014 ²

- ¹ Effective for annual periods beginning on or after 1 January 2014
- ² Effective for annual periods beginning on or after 1 July 2014
- ³ Effective for annual periods beginning on or after 1 January 2016
- ⁴ No mandatory effective date yet determined but is available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of “currently has a legally enforceable right to set off” for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2014.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four (2012: four) 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;
- (c) the trading and investments segment includes the trading of securities and investment income from securities investment and investment holding; and
- (d) the corporate and others segment.

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 before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax from operations except that interest income from loans and receivables, fair value gains on investment properties, finance costs and other gains are excluded from such measurement.

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

There are no sales or other transactions between the operating segments during the year (2012: Nil).

Years ended 31 December 2013 and 2012

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Corporate and others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Sales to external customers	<u>193,514</u>	<u>187,356</u>	<u>19,932</u>	<u>22,615</u>	<u>2,565</u>	<u>72,639</u>	<u>-</u>	<u>-</u>	<u>216,011</u>	<u>282,610</u>
Segment results	<u>150,989</u>	<u>100,698</u>	<u>(13,678)</u>	<u>(23,470)</u>	<u>9,757</u>	<u>70,038</u>	<u>(13,254)</u>	<u>42,618</u>	<u>133,814</u>	<u>189,884</u>
<i>Reconciliation:</i>										
Interest income from loans and receivables									2,231	2,588
Fair value gains on investment properties	855,188	433,032	-	-	-	-	-	-	855,188	433,032
Other gains									17,617	15,574
Finance costs									(23,087)	(13,912)
Profit before tax									<u>985,763</u>	<u>627,166</u>
Segment assets										
	<u>6,507,528</u>	<u>5,568,935</u>	<u>87,046</u>	<u>117,002</u>	<u>927,074</u>	<u>560,537</u>	<u>533,694</u>	<u>356,868</u>	<u>8,055,342</u>	<u>6,603,342</u>
Total assets									<u>8,055,342</u>	<u>6,603,342</u>
Segment liabilities	<u>207,688</u>	<u>177,082</u>	<u>3,920</u>	<u>7,781</u>	<u>365</u>	<u>86</u>	<u>27,240</u>	<u>7,158</u>	<u>239,213</u>	<u>192,107</u>
<i>Reconciliation:</i>										
Unallocated liabilities									<u>2,093,611</u>	<u>1,693,217</u>
Total liabilities									<u>2,332,824</u>	<u>1,885,324</u>
Other segment information:										
Depreciation and amortisation	2,894	1,385	324	747	147	-	77	484	3,442	2,616
Change in fair value of investment properties	855,188	433,032	-	-	-	-	-	-	855,188	433,032
Impairment loss recognised in the statement of profit or loss and other comprehensive income	-	13,210	3	3	-	-	-	-	3	13,213
Capital expenditure*	<u>88,222</u>	<u>4,680</u>	<u>2,669</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>147</u>	<u>-</u>	<u>91,038</u>	<u>4,723</u>

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

Geographical information

a)	Hong Kong		Mainland China		Total	
	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from sales to external customers	<u>59,856</u>	<u>122,183</u>	<u>156,155</u>	<u>160,427</u>	<u>216,011</u>	<u>282,610</u>

The revenue information above is based on the location of the customers. No customer accounted for 10% or more of the total revenue for the years ended 31 December 2013 and 2012.

b)	Hong Kong		Mainland China		Total	
	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets	<u>2,218,609</u>	<u>1,670,107</u>	<u>4,412,026</u>	<u>3,877,004</u>	<u>6,630,635</u>	<u>5,547,111</u>

The non-current asset information above is based on the location of assets and excludes financial instruments.

3. REVENUE, OTHER INCOME AND GAINS

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

	2013	2012
	HK\$'000	HK\$'000
Revenue		
Rental income from property letting	194,777	187,356
Serviced apartment and property management	19,932	22,615
Fair value (losses)/gains on equity investments at fair value through profit or loss	(45,948)	39,090
Dividend income from listed investments	25,608	8,517
Interest income from available-for-sale investments	21,642	25,032
	<u>216,011</u>	<u>282,610</u>
Other income and gains		
Interest income from loans and receivables	2,231	2,588
Gain on disposal of items of property, plant and equipment	3,299	2,904
Fair value gains on available-for-sale investments (transfer from equity on disposal)	737	619
Others	13,581	12,051
	<u>19,848</u>	<u>18,162</u>

4. PROFIT BEFORE TAX

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

	2013 HK\$'000	2012 HK\$'000
Cost of services provided	32,998	35,429
Depreciation	3,433	2,607
Amortisation of prepaid land lease payments	9	9
Minimum lease payments under operating leases for land and buildings	273	173
Auditors' remuneration	650	650
Impairment of trade receivables*	3	3
Impairment loss recognised in respect of property, plant and equipment*	–	13,210
Loss on disposal of investment properties	221	1,126
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	16,046	14,970
Foreign exchange differences, net	<u>(3,363)</u>	<u>8,537</u>
Employee benefits expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	22,280	19,068
Pension scheme contributions (defined contribution scheme) <i>(Note)</i>	<u>202</u>	<u>210</u>
	<u>22,482</u>	<u>19,278</u>

* Included in "Operating and administrative expenses" on the face of the consolidated statement of profit or loss.

Note:

At 31 December 2013, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2012: Nil).

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2013 HK\$'000	2012 HK\$'000
Interest on bank loans, overdrafts and other loans wholly repayable within five years	<u>23,087</u>	<u>13,912</u>

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China, in which the Group operates.

	2013 HK\$'000	2012 HK\$'000
Current tax – Hong Kong		
Charge for the year	2,489	2,131
Underprovision in prior years	122	–
Current tax – Mainland China		
Charge for the year	16,336	14,567
Deferred tax	62,453	(19,581)
Total tax charge/(credit) for the year	<u>81,400</u>	<u>(2,883)</u>

7. DIVIDENDS

	2013 HK\$'000	2012 HK\$'000
Interim dividend – HK0.5 cents (2012: HK0.4 cents) per ordinary share	20,902	16,721
Proposed final dividend – HK0.7 cents (2012: HK0.65 cents) per ordinary share	29,263	27,172
	<u>50,165</u>	<u>43,893</u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 30 May 2014, dividend warrants will be posted on or about 18 June 2014 to shareholders whose names appear on the register of members of the Company on 6 June 2014.

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\$710,464,000 (2012: HK\$535,554,000) and the weighted average number of ordinary shares of 4,180,371,092 (2012: 4,180,371,092) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2013 and 2012 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

9. TRADE RECEIVABLES

	2013 HK\$'000	2012 HK\$'000
Trade receivables	13,996	12,930
Provision for impairment	<u>(5,789)</u>	<u>(5,786)</u>
	<u>8,207</u>	<u>7,144</u>

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 does not hold any collateral or other credit enhancements over its trade receivables balances.

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

	2013 HK\$'000	2012 HK\$'000
Within 1 month	2,248	1,445
1 to 2 months	780	252
2 to 3 months	40	333
Over 3 months	<u>5,139</u>	<u>5,114</u>
	<u>8,207</u>	<u>7,144</u>

The movements in provision for impairment of trade receivables are as follows:

	2013 HK\$'000	2012 HK\$'000
At 1 January	5,786	5,855
Impairment losses recognised	3	3
Amount written off as uncollectable	<u>-</u>	<u>(72)</u>
At 31 December	<u>5,789</u>	<u>5,786</u>

At 31 December 2013, included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of approximately HK\$5,789,000 (2012: HK\$5,786,000) with a carrying amount before provision of approximately HK\$5,789,000 (2012: HK\$5,786,000). The individually impaired trade receivables relate to customers that were in default of payments.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2013	2012
	HK\$'000	HK\$'000
Neither past due nor impaired	2,248	1,445
Less than 1 month past due	780	252
1 to 3 months past due	40	389
Over 3 months past due	5,139	5,058
	<u>8,207</u>	<u>7,144</u>

Receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. TRADE PAYABLES

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

	2013	2012
	HK\$'000	HK\$'000
Within 1 month	1,865	227
1 to 2 months	496	56
2 to 3 months	28	40
Over 3 months	267	282
	<u>2,656</u>	<u>605</u>

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

CLOSURE OF REGISTER OF MEMBERS

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

- (i) from 28 May 2014 to 30 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 27 May 2014; and
- (ii) from 9 June 2014 to 10 June 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 6 June 2014.

REVIEW OF OPERATION

Both global and local economy was full of uncertainties in year of 2013, in particular, influenced by the schedule of tapering by the US Federal Reserve. Additionally, Hong Kong government had strengthened the control on property market in early 2013, leading to suppression on the property trading market. During the year under review, the Group recorded a net profit of about HK\$904 million (2012: HK\$630 million).

PROPERTY INVESTMENT

Hong Kong

Investment properties in Hong Kong mainly comprise of office buildings, industrial buildings, shopping centres, and retail shops. Favored by the government's BSD and SSD policies which increases the demand of rental units, the investment property portfolio contributed stable rental revenue.

The Group had purchased an office premise located at Southmark, Wong Chuk Hang in early 2013. A portion of the office premise is now used as the Group's new Hong Kong headquarter office.

The Group's old Hong Kong headquarter building (54 Wong Chuk Hang Road, Hong Kong) is now under demolishing work. The Group will start the construction of a new 30+ floor building on the existing site, expected to be completed in year 2017/2018. The new building will provide a new and reliable source of income to the Group.

Shanghai, PRC

The Group's properties portfolio in Shanghai, PRC is divided into three residential complexes, comprising of around 182 blocks of hotel-serviced houses and 132 hotel-serviced apartment units respectively. Our properties in Shanghai are operated under the name of "Windsor Renaissance" which is regarded as a symbol of high quality villas and hotel-serviced apartments in Shanghai, and are well received by consulates and foreign business entities, with an average occupancy rate of approximately 90%. The properties generated a stable rental and management fee revenue.

Zhuhai, PRC

The Group holds two land banks in Zhuhai, PRC.

36,808 square meters land in Qianshan CBD is designated for shopping mall and retail stores purposes. Due to difficulties in demolition and relocation work in the Mainland China, recently, the Group proposed to the local government and is willing to further inject funding to the project and assist the government to speed up the relocation process.

94,111 square meters land in Doumen, the Group was recently verbally informed by the Doumen local government that they are unable to issue the building permit to the Group due to a possible change in town planning in the area. They had also verbally expressed their intention to repurchase the land from us to enable them to accommodate the river bank reformation. However, nothing can be concluded at this moment. The Group will further discuss with the Doumen local government.

TRADING AND INVESTMENTS

Stock market and bond market both shows signs of recovery due to active Quantitative Easing in the US and other main industrial countries. As of 31 December 2013, the Group holds around HK\$624 million of equity investment and around HK\$265 million of available-for-sale investments. The Group's equity investments recorded a net fair value loss of approximately HK\$46 million (2012: net gain of HK\$39 million) when marking the investment portfolios to market valuation as of 31 December 2013.

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 and debt investments of approximately HK\$889 million (2012: HK\$477 million) as of 31 December 2013. The Group's cash and cash equivalents as of 31 December 2013 amounted to approximately HK\$182 million (2012: HK\$207 million).

As of 31 December 2013, the Group had total bank and other borrowings amounting to approximately HK\$1,254 million (2012: HK\$922 million) which were secured by legal charges on certain investment properties in Hong Kong and Shanghai, and certain equity investments and available-for-sale investments. With the total bank and other borrowings of HK\$1,254 million (2012: HK\$922 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$6,977 million (2012: HK\$5,640 million), the Group's gearing ratio as at 31 December 2013 was around 18% (2012: 16%).

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2013, the Group had approximately 245 employees in Shanghai, Zhuhai and Hong Kong. The remuneration packages of the Group's employees are mainly based on their performance, 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.

PROSPECT

Taping of easing measures of the US Federal Reserve has begun, yet the exact schedule is still uncertain. This is a sign that the US economy is on the road to recovery, however, potential increase in interest rate will exert pressure on price on equity investments and available-for-sale investments, particular in high-yield equity investments and long-term debt instruments. As Hong Kong Dollar is pegged to the US Dollars, these potential fluctuations in US economy may have a significant impact on the Hong Kong economy.

China's economic growth has slowed down in 2013 with GDP growth of 7.7% in 2013. It is expected that China's GDP growth rate in 2014 will further slow down, with the Chinese government targeting a 7.5% GDP growth rate for 2014. Domestic consumptions and investments will be the major contributors to Chinese economic growth. Despite the tightening of bank loans granted by Chinese banks and a slower economic growth, China remains as one of the world economies with fast growth, hence inflationary pressure on utilities and salaries expenses remain a key challenge to the Group.

Hong Kong government has strengthened the control on property market in early 2013, leading to suppression on the property trading market throughout the year. On February 2014, after the passing of the stamp duty bill (BSD and amended SSD) policies, property price and trading volume in Hong Kong decreased accordingly. It is likely that these control measures will not be withdrawn in the near term, meaning, the property market is likely to be under downward pressure as compared to 2013. The Group will adopt its usual prudent capital and funding management to meet the challenges ahead, while strengthening the rental business and seizing further investment opportunities.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2013, save as disclosed below.

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

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

Under code provision of E.1.2, the chairman of the board should attend the annual general meeting.

Mr. Lau Chi Yung, Kenneth, the chairman of the board of Directors (the “Board”), attended the annual general meeting of the Company by phone conference, which was held on 30 May 2013 (the “2013 AGM”) as he had a business engagement. Mr. Tsui Ka Wah, the chairman of the remuneration committee of the Company, was elected the chairman of the 2013 AGM to ensure effective communication with shareholders of the Company at the meeting. The chairman of the audit committee of the Company, Mr. Wong Yim Sum, had also attended the 2013 AGM.

AUDIT COMMITTEE

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

The audit committee comprises four independent non-executive Directors, namely, Mr. Lee Siu Man, Ervin, Mr. Wong Yim Sum, Mr. Lo Yick Wing and Mr. Tsui Ka Wah. The chairman of the audit committee, Mr. Wong Yim Sum, has extensive experience in the finance and auditing fields.

In the presence of the representatives of the Company's independent external auditors, the Group's draft audited consolidated financial statements for the year ended 31 December 2013 have been reviewed by the audit committee, and with recommendation to the Board for approval.

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 have complied with the required standard set out in the Model Code for the year ended 31 December 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

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 2013 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 are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive Directors are Mr. Lee Siu Man, Ervin, Mr. Wong Yim Sum, Mr. Lo Yick Wing and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 25 March 2014