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**MULTIFIELD INTERNATIONAL HOLDINGS LIMITED**

(the “Company”)

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 898)**

**ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Year ended 31 December 2015

	<i>Notes</i>	<b>2015</b> <i>HK\$’000</i>	2014 <i>HK\$’000</i>
<b>REVENUE</b>	3	<b>77,319</b>	353,493
Cost of sales		<b>(43,033)</b>	(38,427)
Gross profit		<b>34,286</b>	315,066
Other income and gains	3	<b>20,729</b>	74,807
Foreign exchange differences, net		<b>(18,766)</b>	(6,868)
Fair value gains on investment properties, net		<b>1,332,783</b>	388,777
Operating and administrative expenses		<b>(46,869)</b>	(51,755)
Finance costs	5	<b>(27,453)</b>	(21,024)
<b>PROFIT BEFORE TAX</b>	4	<b>1,294,710</b>	699,003
Income tax expense	6	<b>(379,222)</b>	(52,215)
<b>PROFIT FOR THE YEAR</b>		<b>915,488</b>	646,788

	<i>Notes</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		(1,727)	(7,266)
Reclassification adjustments for gains included in the consolidated statement of profit or loss – gain on disposal		(7,011)	(4,329)
		<u>(8,738)</u>	<u>(11,595)</u>
Exchange differences on translation of foreign operations		(191,089)	(77,359)
		<u>(199,827)</u>	<u>(88,954)</u>
NET OTHER COMPREHENSIVE EXPENSE TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX			
		<u>(199,827)</u>	<u>(88,954)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<u><b>715,661</b></u>	<u><b>557,834</b></u>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		659,603	480,088
Non-controlling interests		255,885	166,700
		<u>915,488</u>	<u>646,788</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		526,293	420,284
Non-controlling interests		189,368	137,550
		<u>715,661</u>	<u>557,834</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	8	<u><b>HK15.78 cents</b></u>	<u>HK11.48 cents</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>337,779</b>	354,918
Investment properties		<b>7,688,550</b>	6,580,700
Prepaid land lease payments		<b>400</b>	408
Club debenture		<b>670</b>	670
Available-for-sale investments		<b>–</b>	–
Total non-current assets		<b>8,027,399</b>	6,936,696
<b>CURRENT ASSETS</b>			
Properties held for sale		<b>281,851</b>	281,851
Trade receivables	9	<b>9,440</b>	8,374
Prepayments, deposits and other receivables		<b>10,400</b>	8,181
Available-for-sale investments		<b>–</b>	288,108
Equity investments at fair value through profit or loss		<b>1,129,176</b>	693,130
Pledged deposits		<b>564</b>	46,136
Cash and cash equivalents		<b>542,144</b>	320,814
Total current assets		<b>1,973,575</b>	1,646,594
<b>TOTAL ASSETS</b>		<b>10,000,974</b>	8,583,290
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>906</b>	1,503
Other payables and accruals		<b>215,337</b>	335,887
Deposits received		<b>60,057</b>	56,317
Derivative financial instruments		<b>52,691</b>	–
Interest-bearing bank and other borrowings		<b>1,854,332</b>	1,340,416
Tax payable		<b>43,203</b>	39,152
Total current liabilities		<b>2,226,526</b>	1,773,275
<b>NET CURRENT LIABILITIES</b>		<b>(252,951)</b>	(126,681)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,774,448</b>	6,810,015

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Amount due to a director	<b>2,124</b>	6,063
Deferred tax liabilities	<b>1,023,490</b>	702,545
	<hr/>	<hr/>
Total non-current liabilities	<b>1,025,614</b>	708,608
	<hr/>	<hr/>
Net assets	<b>6,748,834</b>	6,101,407
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<b>EQUITY</b>		
Equity attributable to owners of the Company		
Issued capital	<b>41,804</b>	41,804
Reserves	<b>5,244,087</b>	4,772,139
	<hr/>	<hr/>
	<b>5,285,891</b>	4,813,943
Non-controlling interests	<b>1,462,943</b>	1,287,464
	<hr/>	<hr/>
Total equity	<b>6,748,834</b>	6,101,407
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## 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.

#### **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 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

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

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

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

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 <i>Annual Improvements to HKFRSs 2010-2012 Cycle</i>	<i>Defined Benefit Plans: Employee Contributions</i> Amendments to a number of HKFRSs
<i>Annual Improvements to HKFRSs 2011-2013 Cycle</i>	Amendments to a number of HKFRSs

The nature and the impact of each amendment is described below:

- (a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.
- (b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:
  - *HKFRS 8 Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.
  - HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.
- (c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:
- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.
  - HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.
  - HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the acquisition of investment properties during the year was not a business combination and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange issued by the Stock Exchange of Hong Kong Limited relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the 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> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>1</sup>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <sup>1</sup>
HKFRS 14	<i>Regulatory Deferral Accounts</i> <sup>3</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>2</sup>
Amendments to HKAS 1	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> <sup>1</sup>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> <sup>1</sup>
<i>Annual Improvements to HKFRSs 2012 – 2014 Cycle</i>	Amendments to a number of HKFRSs <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

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

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.



The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

- (i) the materiality requirements in HKAS 1;
- (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
- (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

- (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

## **2. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is organised into four (2014: 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/loss before tax from operations. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax from operations except that interest income from loans and receivables, fair value gains/losses 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 (2014: Nil).

### Years ended 31 December 2015 and 2014

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Corporate and others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>										
Sales to external customers	<u>191,508</u>	<u>193,634</u>	<u>24,121</u>	<u>24,740</u>	<u>(138,310)</u>	<u>135,119</u>	<u>-</u>	<u>-</u>	<u>77,319</u>	<u>353,493</u>
<b>Segment results</b>	<u>133,531</u>	<u>151,872</u>	<u>1,171</u>	<u>(7,332)</u>	<u>(151,249)</u>	<u>132,790</u>	<u>(14,802)</u>	<u>(20,887)</u>	<u>(31,349)</u>	<u>256,443</u>
<i>Reconciliation:</i>										
Interest income from loans and receivables									2,584	3,396
Fair value gains on investment properties, net	1,332,783	388,777	-	-	-	-	-	-	1,332,783	388,777
Other gains									18,145	71,411
Finance costs									(27,453)	(21,024)
Profit before tax									<u>1,294,710</u>	<u>699,003</u>

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Corporate and others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	8,442,922	7,341,351	55,219	64,767	1,270,530	1,108,164	232,303	69,008	10,000,974	8,583,290
Total assets									10,000,974	8,583,290
Segment liabilities	164,303	167,845	17,163	18,560	69,713	123,848	13,947	11,556	265,126	321,809
<i>Reconciliation:</i>										
Unallocated liabilities									2,987,014	2,160,074
Total liabilities									3,252,140	2,481,883
<b>Other segment information:</b>										
Depreciation and amortisation	4,686	4,691	907	1,004	-	-	847	734	6,440	6,429
Fair value gains on investment properties, net	1,332,783	388,777	-	-	-	-	-	-	1,332,783	388,777
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	-	-	-	-	(130,326)	90,005	-	-	(130,326)	90,005
Fair value losses on derivative financial instruments, net	-	-	-	-	(52,691)	-	-	-	(52,691)	-
Impairment of available-for-sale investments	-	-	-	-	-	-	-	3,789	-	3,789
Capital expenditure*	16,834	24,979	1,229	1,055	-	-	23	2,212	18,086	28,246

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

## Geographical information

(a)	Hong Kong		Mainland China		Total	
	2015	2014	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from sales to external customers	<b><u>(72,756)</u></b>	<b><u>196,078</u></b>	<b><u>150,075</u></b>	<b><u>157,415</u></b>	<b><u>77,319</u></b>	<b><u>353,493</u></b>

The revenue information above is based on the locations of the customers. No single external customer accounted for 10% or more of the total revenue for the years ended 31 December 2015 and 2014.

(b)	Hong Kong		Mainland China		Total	
	2015	2014	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	<b><u>2,634,631</u></b>	<b><u>2,467,452</u></b>	<b><u>5,392,098</u></b>	<b><u>4,468,574</u></b>	<b><u>8,026,729</u></b>	<b><u>6,936,026</u></b>

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

### 3. REVENUE, OTHER INCOME AND GAINS

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Revenue</b>		
Rental income from property letting	191,508	192,299
Serviced apartment and property management	24,121	24,740
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	(130,326)	90,005
Fair value losses on derivative financial instruments, net	(52,691)	–
Dividend income from listed investments	31,226	28,743
Interest income from available-for-sale investments	13,481	17,706
	<u>77,319</u>	<u>353,493</u>
<b>Other income and gains</b>		
Interest income from loans and receivables	2,584	3,396
Gain on disposal of items of property, plant and equipment	263	–
Fair value gains on available-for-sale investments (transfer from equity on disposal)	7,011	4,329
Waiver of other payables and accruals	–	3,027
Others	10,871	64,055
	<u>20,729</u>	<u>74,807</u>

#### 4. PROFIT BEFORE TAX

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

	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
Cost of services provided	<b>43,033</b>	38,427
Depreciation	<b>6,432</b>	6,421
Amortisation of prepaid land lease payments	<b>8</b>	8
Minimum lease payments under operating leases for land and buildings	<b>214</b>	266
Auditors' remuneration	<b>680</b>	650
Impairment of available-for-sale investments*	–	3,789
(Gain)/loss on disposal of property, plant and equipment	<b>(263)</b>	42
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	<b>21,257</b>	20,508
Foreign exchange differences, net	<b>18,766</b>	6,868
	<b><u>23,583</u></b>	<u>24,934</u>
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	<b>23,583</b>	24,934
Pension scheme contributions (defined contribution scheme) ( <i>Note</i> )	<b>246</b>	236
	<b><u>23,829</u></b>	<u>25,170</u>

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

*Note:*

At 31 December 2015, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2014: Nil).

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on bank loans, overdrafts and other loans	<u><b>27,453</b></u>	<u>21,024</u>

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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.

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	<b>5,738</b>	5,497
Underprovision/(overprovision) in prior years	<b>513</b>	(330)
Current – Mainland China		
Charge for the year	<b>14,096</b>	19,970
Deferred	<u><b>358,875</b></u>	<u>27,078</u>
Total tax charge for the year	<u><b>379,222</b></u>	<u>52,215</u>

## 7. DIVIDENDS

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim dividend – HK0.6 cents (2014: HK0.55 cents) per ordinary share	<b>25,082</b>	22,992
Proposed final dividend – HK0.7 cents (2014: HK0.7 cents) per ordinary share	<u><b>29,263</b></u>	<u>29,263</u>
	<u><b>54,345</b></u>	<u>52,255</u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 26 May 2016, dividend warrants will be posted on or about 22 June 2016 to shareholders whose names appear on the register of members of the Company on 1 June 2016.



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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of approximately HK\$659,603,000 (2014: HK\$480,088,000) and the weighted average number of ordinary shares of 4,180,371,092 (2014: 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 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

## 9. TRADE RECEIVABLES

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	<b>15,226</b>	14,163
Impairment	<b>(5,786)</b>	(5,789)
	<u><b>9,440</b></u>	<u>8,374</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. Trade receivables are non-interest-bearing.

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:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 1 month	<b>1,814</b>	1,653
1 to 2 months	<b>741</b>	648
2 to 3 months	<b>611</b>	79
Over 3 months	<b>6,274</b>	5,994
	<u><b>9,440</b></u>	<u>8,374</u>

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 January	<b>5,789</b>	5,789
Amount written off as uncollectible	<b>(3)</b>	–
	<hr/>	<hr/>
At 31 December	<b><u>5,786</u></b>	<b><u>5,789</u></b>

At 31 December 2015, included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of approximately HK\$5,786,000 (2014: HK\$5,789,000) with a carrying amount before provision of approximately HK\$5,786,000 (2014: HK\$5,789,000). The individually impaired trade receivables relate to customers that were in default of payments.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Neither past due nor impaired	<b>1,814</b>	1,653
Less than 1 month past due	<b>741</b>	648
1 to 3 months past due	<b>611</b>	79
Over 3 months past due	<b>6,274</b>	5,994
	<hr/>	<hr/>
	<b><u>9,440</u></b>	<b><u>8,374</u></b>

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 1 month	<b>519</b>	819
1 to 2 months	<b>75</b>	68
2 to 3 months	<b>21</b>	–
Over 3 months	<b>291</b>	616
	<hr/> <b>906</b> <hr/>	<hr/> 1,503 <hr/>

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

## 11. EVENTS AFTER THE REPORTING PERIOD

As disclosed on the Company's announcement dated 16 February 2016, on 16 February 2016, the Group entered into a sale and purchase agreement to acquire an indirect non-wholly-owned subsidiary of the Company for a consideration of HK\$152 million. Upon completion, the Group's equity interest in that indirect non-wholly-owned subsidiary will increase from 46.62% to 76.62%.

## **CLOSURE OF REGISTER OF MEMBERS**

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

- (i) from 24 May 2016 to 26 May 2016, 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 23 May 2016; and
- (ii) from 2 June 2016 to 6 June 2016, 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 1 June 2016.

### **Review of Operation**

2015 was a year with volatile market environment and full of challenges. The Group's revenue from hotel-serviced villas, apartments and property management services in Shanghai records slight decrease of approximately 5%, rental income in Hong Kong is relatively stable, while the Group's investments in securities record a loss. As the increment in fair value of investment properties held by the Group is significantly higher (approximately 243%) than that for year 2014, the Group's total comprehensive income for the year ended 31 December 2015 is higher (approximately 28%) than that for the corresponding period in year 2014.

During the year under review, the Group recorded a net profit of approximately HK\$915 million (2014: HK\$647 million).

## **PROPERTY INVESTMENT**

### **Hong Kong**

The Group's investment properties in Hong Kong mainly comprise of office buildings, industrial buildings, retail shops and car parks. Despite of recent cooling down of Hong Kong properties and rental market, the Group's investment properties portfolio contributed stable rental revenue of approximately HK\$66 million in 2015. (2014: HK\$61 million)

The Group's construction site at 54 Wong Chuk Hang Road, Hong Kong has completed foundation work and is now progressing on the superstructure work for the building, expected to be completed in year 2017/2018. The Group expects that the new building will provide a new and stable 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 villas and 132 hotel-serviced apartments respectively. The 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 recognised by consulates and foreign business entities. The Shanghai properties have an average occupancy rate of above 90%, and generate stable rental and management fee revenue of approximately HK\$150 million in 2015. (2014: HK\$156 million).

### **Zhuhai, PRC**

There are two land banks in Zhuhai, PRC.

36,808 square meters of commercial use land in Qianshan is designated for building of shopping mall and retail stores. The local government is actively pushing the relocation work that is under progress, and proposed a new arrangement to allow original-place relocation for the relocation households. The government will be responsible for the implementation and the Group is willing to support the government's work by prepaying the construction costs for the relocation households. The government will compensate the Group on the prepaid construction costs and discuss with the Group the method of compensation, e.g. by increase in plot ratio of the building.

Regarding the 94,111 square meters of hotel and commercial use land located in Doumen, the Group had recently received a written notice from the Doumen local government that due to a change in town planning, the land will be changed for parks, protection green space, cultural facilities and road purposes. The government expressed that it is unable to approve the Group to build a hotel and shopping mall on the land, and wished to retrieve the land from the Group and discussed with the Group for compensation (by repurchase or exchange of land). The Group had already appointed local lawyers to investigate the related matters. The management will try their best to conserve the Group's rights and interests.

## **FINANCIAL INVESTMENTS**

Worldwide economy and stocks market were volatile in 2015, leading to equity investments (stocks) held by the Group to record fair value losses.

As of 31 December 2015, the Group holds approximately HK\$1,129 million of highly liquid equity investments. The Group's equity investments recorded a net fair value loss of approximately HK\$130 million when marking the investment portfolios to market valuation as of 31 December 2015, a net fair value loss of approximately HK\$53 million on derivative financial statements, along with dividend income of approximately HK\$31 million.

Some of the available-for-sale listed debt investments held by the Group had matured and redeemed in 2015, while the Group had also sold its remaining available-for-sale listed debt investments throughout 2015. The available-for-sale listed debt investments contribute interest income of approximately HK\$13 million in 2015.

## **FOREIGN CURRENCY EXPOSURE**

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

As of 31 December 2015, the Group has not entered into any financial instrument for foreign currency hedging purpose.

The Group records a net foreign exchange loss of approximately HK\$210 million for the year ended 31 December 2015.

## **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/or debt investments of approximately HK\$1,129 million (2014: HK\$981 million) as of 31 December 2015. The Group's cash and cash equivalents as of 31 December 2015 amounted to approximately HK\$542 million (2014: HK\$321 million).

As of 31 December 2015, the Group had total bank and other borrowings amounting to approximately HK\$1,854 million (2014: HK\$1,340 million), which were secured by legal charges on the Group's certain investment properties in Hong Kong and Shanghai, and certain equity investments. With the total bank and other borrowings of approximately HK\$1,854 million (2014: HK\$1,340 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$8,603 million (2014: HK\$7,442 million), the Group's gearing ratio as at 31 December 2015 was around 22% (2014: 18%).

## **COMMITMENTS**

As at 31 December 2015, the Group had committed payment for the construction and land development expenditure amounting to approximately HK\$280 million (2014: HK\$27 million).

## **EMPLOYEES AND REMUNERATION POLICY**

As of 31 December 2015, the Group had approximately 230 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**

The US Federal Reserve has started increasing the interest rate in December 2015. As Hong Kong dollar is pegged to the US dollar, Hong Kong may follow to increase its interest rate in the future. These may exert pressure on price on equity investments held by the Group, particular in high-yield equity investments. Besides, the slowdown in growth of Chinese economy may have a significant impact on Hong Kong's rental market.

The investment properties (particularly the small-sized residential units) in Hong Kong have recorded decline in market value in late 2015. However, officials from Hong Kong government stated that control measures on properties markets will not be withdrawn in the near term. Along with the conditions for potential interest rate increase, investment properties in Hong Kong held by the Group might record decrease in market value as compared to the increase in previous years.

China's economic growth has slowed down, with the Chinese government targeting a 6.5%-7% GDP growth rate for 2016. In addition to the potential depreciation of Renminbi, retreat of foreign investments from China and intensive competition in rental business in Shanghai, these may exert pressure on the revenue from provision of hotel-serviced villas, apartments and property management services in Shanghai. Despite of China's possible slower than expected economic growth, inflationary pressure on salaries, utilities expenses, properties renovation and quality enhancement expenses remains a key challenge to the Group.

The worldwide economy (especially Chinese and Hong Kong's economy) is performing more and more volatile, with regard to uncertainties brought by policy-driven markets. The Group will adopt its usual prudent capital and funding management to meet the challenges ahead, while strengthening the rental and property development business, and seizing further investment opportunities.

## **EVENTS AFTER THE REPORTING PERIOD**

Details of significant events subsequent to the balance sheet date are set out in Note 11 on page 19.

## **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 2015, save as disclosed below.

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

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

## **AUDIT COMMITTEE**

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

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 2015 have been reviewed by the audit committee, and with recommendation to the board of Directors 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 2015.



## **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](http://www.irasia.com/listco/hk/multifield/index.htm)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for 2015 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

## **BOARD OF DIRECTORS**

As of the date of this announcement, the executive Directors are Mr. Lau Chi Yung 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**  
*Chairman*

Hong Kong, 30 March 2016