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INTERIM RESULTS

The board of directors (the “Board”) of Multifield International Holdings Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2020, together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

	Notes	For the six months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
REVENUE	3	(126,743)	200,595
Cost of sales		<u>(21,433)</u>	<u>(22,288)</u>
Gross (loss)/profit		(148,176)	178,307
Other income and gains	3	5,041	14,563
Foreign exchange differences, net		(548)	(10)
Operating and administrative expenses		(20,264)	(24,814)
Finance costs	5	<u>(20,165)</u>	<u>(22,851)</u>
(LOSS)/PROFIT BEFORE TAX	4	(184,112)	145,195
Income tax expense	6	<u>(6,079)</u>	<u>(6,260)</u>
(LOSS)/PROFIT FOR THE PERIOD		<u>(190,191)</u>	<u>138,935</u>
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(115,419)	92,279
Non-controlling interests		<u>(74,772)</u>	<u>46,656</u>
		<u>(190,191)</u>	<u>138,935</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>HK(2.76) cents</u>	<u>HK2.21 cents</u>

Details of interim dividend are disclosed in note 7.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
(LOSS)/PROFIT FOR THE PERIOD	(190,191)	138,935
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	<u>(1)</u>	<u>–</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD	<u>(190,192)</u>	<u>138,935</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	(115,420)	92,279
Non-controlling interests	<u>(74,772)</u>	<u>46,656</u>
	<u>(190,192)</u>	<u>138,935</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	<i>Notes</i>	As at 30 June 2020 HK\$'000 (Unaudited)	As at 31 December 2019 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		203,763	205,963
Investment properties		10,192,796	10,192,796
Right-of-use assets		362	366
Club debenture		330	670
Total non-current assets		<u>10,397,251</u>	<u>10,399,795</u>
CURRENT ASSETS			
Properties held for sale		281,851	281,851
Trade receivables	9	7,289	3,888
Prepayments, deposits and other receivables		229,992	230,732
Equity investments at fair value through profit or loss		804,721	1,043,987
Cash and cash equivalents	11	522,806	538,641
Total current assets		<u>1,846,659</u>	<u>2,099,099</u>
TOTAL ASSETS		<u>12,243,910</u>	<u>12,498,894</u>
CURRENT LIABILITIES			
Trade payables	10	1,042	2,039
Other payables and accruals		162,158	166,808
Deposits received		59,236	58,954
Interest-bearing bank and other borrowings	12	371,628	722,083
Tax payable		50,898	53,523
Total current liabilities		<u>644,962</u>	<u>1,003,407</u>
NET CURRENT ASSETS		<u>1,201,697</u>	<u>1,095,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,598,948</u>	<u>11,495,487</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	12	1,390,000	1,110,000
Amount due to a director	13	102,098	57,092
Deferred tax liabilities		<u>1,196,699</u>	<u>1,196,699</u>
 Total non-current liabilities		 <u>2,688,797</u>	 <u>2,363,791</u>
 Net assets		 <u><u>8,910,151</u></u>	 <u><u>9,131,696</u></u>
 EQUITY			
Equity attributable to owners of the Company			
Issued capital	14	41,804	41,804
Reserves		<u>7,215,043</u>	<u>7,361,816</u>
 Non-controlling interests		 <u>7,256,847</u>	 <u>7,403,620</u>
		<u>1,653,304</u>	<u>1,728,076</u>
 Total equity		 <u><u>8,910,151</u></u>	 <u><u>9,131,696</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Attributable to owners of the Company							
	Issued capital <i>HK\$'000</i> <i>(Unaudited)</i> <i>(Note 14)</i>	Share premium account <i>HK\$'000</i> <i>(Unaudited)</i>	Contributed surplus <i>HK\$'000</i> <i>(Unaudited)</i>	Available-for-sale investment revaluation reserve <i>HK\$'000</i> <i>(Unaudited)</i>	Exchange fluctuation reserve <i>HK\$'000</i> <i>(Unaudited)</i>	Retained profits <i>HK\$'000</i> <i>(Unaudited)</i>	Non-controlling interests <i>HK\$'000</i> <i>(Unaudited)</i>	Total equity <i>HK\$'000</i> <i>(Unaudited)</i>
At 1 January 2019	41,804	39,116	293,372	7,448	394,150	6,224,942	1,679,137	8,679,969
Profit for the period	-	-	-	-	-	92,279	46,656	138,935
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Final 2018 dividend declared	-	-	-	-	-	(31,353)	-	(31,353)
At 30 June 2019	<u>41,804</u>	<u>39,116</u>	<u>293,372</u>	<u>7,448</u>	<u>394,150</u>	<u>6,285,868</u>	<u>1,725,793</u>	<u>8,787,551</u>
At 1 January 2020	41,804	39,116	293,372	7,448	322,380	6,699,500	1,728,076	9,131,696
Loss for the period	-	-	-	-	-	(115,419)	(74,772)	(190,191)
Other comprehensive expense for the period	-	-	-	-	(1)	-	-	(1)
Final 2019 dividend declared	-	-	-	-	-	(31,353)	-	(31,353)
At 30 June 2020	<u>41,804</u>	<u>39,116</u>	<u>293,372</u>	<u>7,448</u>	<u>322,379</u>	<u>6,552,728</u>	<u>1,653,304</u>	<u>8,910,151</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	For the six months ended 30 June	
<i>Notes</i>	2020 <i>HK\$'000</i> <i>(Unaudited)</i>	2019 <i>HK\$'000</i> <i>(Unaudited)</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	59,491	85,533
NET CASH INFLOW FROM INVESTING ACTIVITIES	1,642	1,715
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	<u>(76,967)</u>	<u>34,001</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,834)	121,249
Cash and cash equivalents at beginning of the period	538,641	425,600
Effect of foreign exchange rate change, net	<u>(1)</u>	<u>–</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>522,806</u>	<u>546,849</u>
 ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<i>11</i> 161,110	139,849
Non-pledged deposits with original maturity of less than three months when acquired	<i>11</i> <u>361,696</u>	<u>407,000</u>
	<u>522,806</u>	<u>546,849</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2019 except as noted below.

In the current period, the Group has applied, for the first time, the following amendments issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2020.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

Except as described below, the adoption of the new amendments had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

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

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²</i>
HKFRS 17	<i>Insurance Contracts¹</i>

¹ Effective for annual periods beginning on or after 1 January 2021

² No mandatory effective date yet determined but available for adoption

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. OPERATING SEGMENT INFORMATION

The analyses of the principal activities of the operations of the Group are as follows:

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	For the six months ended 30 June							
	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:								
Revenue from external customers	93,933	93,658	17,139	17,367	(237,815)	89,570	(126,743)	200,595
Segment results								
	82,189	84,216	(7,204)	(13,695)	(237,881)	88,132	(162,896)	158,653
<i>Reconciliation:</i>								
Unallocated corporate expenses							(6,092)	(5,169)
Interest income on bank deposits							1,487	1,127
Other gains							3,554	13,435
Finance costs							(20,165)	(22,851)
(Loss)/profit before tax							(184,112)	145,195

Geographical information

	Hong Kong		Mainland China		Total	
	For the six months ended 30 June					
	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from external customers	(202,393)	125,034	75,650	75,561	(126,743)	200,595

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 periods ended 30 June 2020 and 2019.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Revenue from contracts with customers</i>		
Serviced apartment and property management	<u>17,139</u>	<u>17,367</u>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	<u>93,933</u>	<u>93,658</u>
Fair value (losses)/gains on equity investments at fair value through profit or loss, net	<u>(239,266)</u>	70,853
Dividend income from listed investments	<u>1,451</u>	<u>18,717</u>
	<u><u>(126,743)</u></u>	<u><u>200,595</u></u>

Revenue from contracts with customers

(a) *Disaggregation of revenue information*

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
By source of revenue:		
<i>Revenue recognised overtime</i>		
Serviced apartment and property management	<u>17,139</u>	<u>17,367</u>
By geographical locations:		
Hong Kong	524	491
Mainland China	<u>16,615</u>	<u>16,876</u>
	<u>17,139</u>	<u>17,367</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE, OTHER INCOME AND GAINS *(continued)*

Revenue from contracts with customers *(continued)*

(b) Performance obligations for contracts with customers

Property management services income is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue is recognised for these serviced apartment and property management services based on monthly statement issued by the Group's management agent using output method.

Sale of properties is recognised at a point in time when control of the completed properties is delivered to buyers. The Group receives deposit from buyers when they sign the sale and purchase agreement. The deposits received from the contracts prior to meeting the above criteria for revenue recognition are recognised as customer deposits and other deferred revenue under the Group's creditors, deposits and accruals.

Other income and gains

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest income earned on bank balances	1,487	1,127
Gain on disposal of items of property, plant and equipment, net	–	1,880
Others	3,554	11,556
	5,041	14,563

4. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Depreciation of property, plant and equipment	2,045	2,423
Depreciation of right-of-use assets	4	4
Foreign exchange differences, net	548	10
	2,597	2,437
Employee benefits expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	6,652	6,601
Pension scheme contributions (defined contribution scheme)	155	155
	6,807	6,756
Total staff costs	6,807	6,756

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest on bank loans, overdrafts and other loans	<u>20,165</u>	<u>22,851</u>

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/19. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current – Hong Kong		
Charge for the period	–	488
Over provision in prior years	–	–
Current – Mainland China		
Charge for the period	<u>6,079</u>	<u>5,772</u>
Total tax charge for the period	<u>6,079</u>	<u>6,260</u>

7. DIVIDENDS

(a) Dividends recognised as distribution during the period:

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Final dividend paid – HK0.75 cents (2018: HK0.75 cents) per ordinary share	<u>31,353</u>	<u>31,353</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. DIVIDENDS *(continued)*

(b) Dividend declared after the end of the reporting period:

	For the six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interim dividend declared – HK0.50 cents (2019: HK0.60 cents) per ordinary share	<u>20,902</u>	<u>25,082</u>

The above interim dividends were declared after the interim reporting dates and have not been recognised as liabilities at the end of the respective reporting periods.

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic (loss)/earnings per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company of approximately HK\$115,419,000 (2019: profit for the period of approximately HK\$92,279,000) and the weighted average number of ordinary shares of 4,180,371,092 (2019: 4,180,371,092) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2020 and 2019.

9. TRADE RECEIVABLES

	As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
Trade receivables	<u>7,289</u>	<u>3,888</u>
	<u>7,289</u>	<u>3,888</u>

Trade receivables mainly consists of receivables from property management services and rental receivables, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. TRADE RECEIVABLES *(continued)*

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

	As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
Within 1 month	2,459	2,100
1 to 2 months	1,246	899
2 to 3 months	1,389	233
Over 3 months	<u>2,195</u>	<u>656</u>
	<u><u>7,289</u></u>	<u><u>3,888</u></u>

10. TRADE PAYABLES

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

	As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
Within 1 month	1,000	1,997
1 to 2 months	–	–
2 to 3 months	–	–
Over 3 months	<u>42</u>	<u>42</u>
	<u><u>1,042</u></u>	<u><u>2,039</u></u>

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
Cash and bank balances	161,110	176,945
Time deposits with original of less than three months	361,696	361,696
Cash and cash equivalents	522,806	538,641

At the end of the reporting period, the cash and bank balances and pledged deposits of the Group denominated in Renminbi (“RMB”) amounted to approximately HK\$35,200,000 (as at 31 December 2019: HK\$50,882,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2020			As at 31 December 2019		
	Contractual interest rate (%)	Maturity	HK\$'000	Contractual interest rate (%)	Maturity	HK\$'000
Current liabilities						
Secured bank loans denominated in Hong Kong dollar	HIBOR plus a range of 0.95 to 1.30	2021-2023 or on demand	222,000	HIBOR plus a range of 0.95 to 1.40	2020-2023 or on demand	391,000
Secured short term loans denominated in Hong Kong dollar	0.68	2020	149,628	4.86	2020	331,083
			371,628			722,083
Non-current liabilities						
Secured bank loan denominated in Hong Kong dollar	HIBOR plus a range of 0.95 to 1.30	2021-2023	1,390,000	HIBOR plus a range of 0.95 to 1.40	2020-2023	1,110,000
			1,761,628			1,832,083

The scheduled principal repayment dates of the Group with reference to the loan agreements and ignore the effect of any repayment on-demand clause are as follows:

	As at 30 June 2020 HK\$'000 (Unaudited)	As at 31 December 2019 HK\$'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	222,000	391,000
In the second year	810,000	810,000
In the third to fifth years, inclusive	580,000	300,000
	1,612,000	1,501,000
Other borrowings repayable within one year	149,628	331,083
	1,761,628	1,832,083

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

The Group's bank loans are secured by:

- (i) mortgages over the Group's certain investment properties situated in Hong Kong and Mainland China, which had an aggregate carrying value at the end of the reporting period of approximately HK\$5,447,100,000 (as at 31 December 2019: HK\$6,096,100,000);
- (ii) personal guarantees given by certain directors of the Company and its subsidiaries; and
- (iii) the Company has guarantee certain of the Group's bank loans up to HK\$1,412,000,000 (as at 31 December 2019: HK\$1,622,000,000) as at the end of the reporting period.

At 30 June 2020, the Group's short term loans with investment banks are secured by certain cash deposits and investments with an aggregate carrying value of approximately HK\$359,614,000 (as at 31 December 2019: HK\$1,028,329,000).

13. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest-free and is not repayable within one year.

14. SHARE CAPITAL

Shares	Number of shares		Value	
	As at 30 June 2020	As at 31 December 2019	As at 30 June 2020 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(Audited)</i>
Authorised:				
Ordinary shares of HK\$0.01 each	<u>50,000,000,000</u>	<u>50,000,000,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	<u>4,180,371,092</u>	<u>4,180,371,092</u>	<u>41,804</u>	<u>41,804</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE OPTION SCHEME

The Group's share option scheme (the "2013 Scheme") was adopted pursuant to a resolution passed on 30 May 2013 for the primary purpose of providing incentives to eligible participants.

The 2013 Scheme

The Company operates the 2013 Scheme for the purpose of, among others, is to recognise and motivate the contribution of eligible participants to the Group and to provide incentives and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company. Eligible participants of the 2013 Scheme include any (full-time or part-time) employee, including, without limitation, any executive and non-executive director or proposed executive and non-executive director of the Group, and any adviser, consultant, agent, contractor, client, customer or supplier or any member of the Group. The 2013 Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from 30 May 2013.

The total number of securities available for issue under the 2013 Scheme is 418,037,109, which is equivalent to 10% of the issued share capital of the Company at the date of adoption of the 2013 Scheme. The maximum number of shares issuable under share options to each eligible participant in the 2013 Scheme within any 12-month period, is limited to 1% of the shares of the Company for the time being in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 5 business days from the date of the offer upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the directors, which is not later than 10 years from the date of offer of the share options or the expiry date of the 2013 Scheme, if earlier.

The exercise price of the share options is determined by the board of directors, but may not be less than the higher of (i) the nominal of the shares; (ii) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote in shareholders' meetings.

No share options under the 2013 Scheme have been granted, exercised, lapsed or cancelled since the establishment of the 2013 scheme.

16. CORPORATE GUARANTEES

At 30 June 2020, the Company has given corporate guarantees in favour of banks for banking facilities granted to its subsidiaries to the extent of approximately HK\$1,412,000,000 (as at 31 December 2019: HK\$1,622,000,000), of which approximately HK\$1,397,000,000 (as at 31 December 2019: HK\$1,501,000,000) was utilised.

In the opinion of the directors, no material liabilities will arise from the above corporate guarantees which arose in the ordinary course of business of the Group and the fair values of the corporate guarantees granted by the Company are immaterial.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. LEASES

The Group as a lessee

The amounts recognised in profit or loss in relation to leases are as follows:

	As at 30 June 2020 HK\$'000 (Unaudited)
Depreciation charge of right-of-use assets	4
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 30 June 2020	72
	76
Total amount recognised in profit or loss	76

The Group regularly entered into short-term leases for office premises. The Group does not recognise right-of-use assets and lease liabilities in regard of these short-term leases. The Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease terms. There is no renewal options and variable lease payments included in these lease agreements.

For the period ended 30 June 2020, total cash outflow for leases amounts to approximately HK\$72,000.

The Group as a lessor

The Group leases its investment properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the period was HK\$93,933,000, details of which are included in note 3 to the unaudited condensed consolidated financial statements.

At 30 June 2020, the undiscounted lease payments receivable by the Group in the future periods under non-cancellable operating leases with its tenants are as follows:

	As at 30 June 2020 HK\$'000 (Unaudited)
Within one year	144,328
In the second year	55,593
In the third year	11,108
	211,029

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are not significant to the Group.

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

19. EVENTS AFTER THE REPORTING PERIOD

Completion of Group Reorganisation Plan

The Company and Oriental Explorer Holdings Limited (“Oriental Explorer”) entered into a master agreement (the “Master Agreement”) on 11 June 2020, transactions under which include (i) the acquisition by Oriental Explorer from the Company for a consideration of HK\$1,381,502,456 (subject to adjustment) of the entire issued share capital in Reach Profit Investments Limited (the “Multifield Disposal Company”) and the outstanding amount due to the Company by the Multifield Disposal Company at completion, and (ii) the acquisition by the Company from Oriental Explorer for a consideration of HK\$1,146,746,283 (subject to adjustment) of the entire issued share capital in Linkful Strategic Investment Limited (the “OE Disposal Company”) and the outstanding amount due to Oriental Explorer by the OE Disposal Company at completion.

The completion of the transactions under the Master Agreement took place on 31 July 2020. To settle the shortfall in consideration, Oriental Explorer issued an interest-free promissory note of HK\$147,773,043.11 to Multifield on the completion date, and, also on the same day, allotted and issued 1,181,836,004 consideration shares (representing approximately 30.4% of the enlarged issued shares of Oriental Explorer) at issue price HK\$0.0736 each to a nominee of the Company under specific mandate. Accordingly, the number of issued shares of Oriental Explorer has been increased from 2,700,000,000 to 3,881,836,004 and the Company’s and public shareholders’ interests in Oriental Explorer have been changed from approximately 64.1% to 75% and from 35.9% to 25% respectively.

Before the completion, the OE Disposal Company and the Multifield Disposal Company were wholly-owned subsidiaries of the Oriental Explorer and the Company respectively. Upon completion, the OE Disposal Company has ceased to be a subsidiary of Oriental Explorer, and has become a subsidiary of the Company; on the other hand, the Multifield Disposal Company has become a subsidiary of Oriental Explorer and thus it is still a subsidiary of the Company (through the Company’s shareholdings in Oriental Explorer).

Further details are set out in (i) the joint announcement of the Company and Oriental Explorer dated 11 June 2020, (ii) the circular of the Company dated 30 June 2020, (iii) the poll results announcement of the Company dated 23 July 2020, and (iv) the joint announcement of the Company and Oriental Explorer dated 31 July 2020 in relation to (among others) the Master Agreement and the transactions under it.

20. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the board of directors on 27 August 2020.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the board of directors (the “Board”) of Multifield International Holdings Limited (the “Company”), I am pleased to present the interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2020.

REVIEW OF OPERATION

During the period under reporting, the Group recorded a loss of approximately HK\$190 million (2019: profit of HK\$139 million). This is mainly due to the loss brought by the fair value loss in equity investments (stocks) held by the Group.

The Group's rental income in Hong Kong remains stable.

The Group's rental and management fee income from hotel-serviced apartments and villas in Shanghai recorded a decrease of approximately 2%.

The Group's equity investments recorded a fair value loss of approximately HK\$239 million (2019: gain of HK\$71 million). Equities investments recorded dividend income of approximately HK\$1 million (2019: HK\$19 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. The Group's investment properties portfolio contributed stable rental revenue of approximately HK\$35 million for the six months ended 30 June 2020 (2019: HK\$35 million).

Shanghai, China

The Group's properties portfolio in Shanghai, China 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 has an average occupancy rate of approximately 90%, and generates rental and management fee revenue of approximately HK\$76 million for the six months ended 30 June 2020 to the Group (2019: HK\$76 million).

Zhuhai, China

Zhuhai Qianshan

The Group's 36,808 square meters of commercial-use land in Qianshan, Zhuhai, the PRC (the “Qianshan Land”) is under relocation progress. In July 2015, a new relocation policy transferred the responsibility of relocation from the Land Department (“國土局”) to the Xiangzhou District Government (“香洲區政府”). In support of the Xiangzhou District Government's relocation work, the Group proposed to apportion a part of the Qianshan Land to accommodate the relocation of demolished households and had submitted the relevant written proposal to Xiangzhou District Government, the Land Department and the Town Planning Department (“規劃局”) in July 2018. The Town Planning Department supports the Group's proposal in principle. On 11 October 2019, the Xiangzhou District Government organised a meeting with the Group and various government departments including the Land Department and the Town Planning Department, where the town plan of the Qianshan Land proposed by the Group was discussed. The Group is waiting for the feedback from relevant government departments.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Zhuhai Doumen

The Group filed an administrative proceeding with the People's Court of Jinwan District, Zhuhai (“珠海市金灣區人民法院”, the “Jinwan People's Court”) on 16 October 2019 against the local government departments for their failure to provide reasonable compensation to the Group in relation to the repurchase of the parcel of exhibition and commercial-use land located in Doumen District, Zhuhai (the “Doumen Land”). Through the written judgement dated 27 December 2019, the Jinwan People's Court held that the resumption of the Doumen Land by the Zhuhai Natural Resources Bureau (“珠海市自然資源局”) without providing compensation to the Group was unlawful and ordered it to compensate the Group for its recovery of the Doumen Land within 60 days after the date on which the judgment became enforceable (22 January 2020).

The Zhuhai Natural Resources Bureau notified the Group in writing on 6 May 2020 that it was unable to fulfill its compensation obligations before the deadline specified by the Jinwan People's Court due to the COVID-19 pandemic, but it indicated that it will speed up the compensation process.

As of the date of approval of these unaudited condensed consolidated financial statements, the Group has not reached an agreement with the local government departments on the amount of compensation for the Doumen Land, but it is not expected to have a material negative impact on the daily operations or trading position of the Group.

FINANCIAL INVESTMENTS

During the period under reporting, equity investments (stocks) held by the Group recorded net fair value loss.

As of 30 June 2020, the Group held approximately HK\$805 million (as of 31 December 2019: HK\$1,044 million) of highly liquid equity investments, which mainly consisted of blue chips stocks and Exchange Traded Funds listed in Hong Kong. The equity investments were held by the Group for long-term investment purpose and to receive dividend income.

The Group's equity investments recorded a net fair value loss of approximately HK\$239 million (2019: gain of HK\$71 million) when marking the investment portfolios to market valuation as of 30 June 2020, along with dividend income of approximately HK\$1 million (2019: HK\$19 million).

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

The equity investments held by the Group as at 30 June 2020 were as follows:

Stock Code	Company Name	Principal Business	Number of	Percentage	Investment	Realised	Unrealised	Dividend	Fair value/ carrying	Percentage
			shares held as at 30	of shareholding as at 30		Gain on change in fair value for the period ended 30	Gain/(Loss) on change in fair value for the period ended 30			
			June 2020 '000	June 2020 %	cost June 2020 HK\$'000	June 2020 HK\$'000	June 2020 HK\$'000	June 2020 HK\$'000	June 2020 HK\$'000	June 2020 %
2800	Tracker Fund of Hong Kong	Collective investment fund, structured as a unit trust established under Hong Kong law, provide investment results that closely correspond to the performance of the Hang Seng Index.	7,850	0.23	196,381	-	(27,868)	707	195,465	1.59
5	HSBC Holdings plc	Banking and financial services, manages its products and services through four businesses: Retail Banking and Wealth Management (RBWM), Commercial Banking (CMB), Global Banking and Markets (GB&M), and Global Private Banking (GPB).	5,743	0.03	385,760	-	(141,556)	-	207,885	1.70
2828	Hang Seng China Enterprises Index ETF	Sub-fund of the Hang Seng Investment Index Funds Series, a unit trust established as an umbrella fund under the laws of Hong Kong, which aims to match, before expenses, as closely as practicable the performance of the Hang Seng China Enterprises Index.	2,664	1.18	337,354	-	(38,255)	-	263,842	2.15
3988	Bank of China Limited	Banking and financial services, a China-based company principally engage in the provision of banking and related financial services.	29,300	0.04	101,558	-	(13,478)	-	84,091	0.69
941	China Mobile Limited	Telecommunication and Services, a China-based company principally engage in telecommunication and related businesses including mobile businesses, wireline Broadband businesses and Internet of Things (IoT) businesses.	340	0.00	31,219	-	(4,488)	585	17,782	0.15

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Stock Code	Company Name	Principal Business	Number of shares held as at 30		Investment cost	Realised	Unrealised	Dividend income	Fair value/ carrying amount	Percentage to the Company's total asset as at 30
			June 2020	June 2020		Gain on change in fair value for the period ended 30 June 2020	Gain/(Loss) on change in fair value for the period ended 30 June 2020			
			'000	%	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	%
2628	China Life Insurance Company Limited	Life insurance, a China-based company principally engage provides a range of insurance products, including individual and group life insurance, health insurance and accident insurance products.	1,000	0.01	29,741	-	(6,050)	-	15,600	0.13
857	PetroChina Co. Ltd.	Petroleum and gases, a China-based company principally engage in the production and distribution of oil and gas.	2,378	0.01	24,819	-	(3,186)	-	6,111	0.05
	Other listed securities [#]				56,014	-	(4,385)	159	13,945	0.11
						-	(239,266)	1,451	804,721	6.57

[#] Other listed securities mainly represented the Group's investment in 14 companies whose shares were mainly listed on the Main Board of The Stock Exchange of Hong Kong Limited. The carrying value of each of these investments represented less than 1% of the total assets of the Group as at 30 June 2020.

As at 30 June 2020, the equity investments mainly represented listed securities in Hong Kong. The Board acknowledges that the performance of the equity investments may mainly be affected by worldwide economy and the degree of volatility in the Chinese and Hong Kong stock markets, and susceptible to other external factors that may affect their values. In order to mitigate possible financial risk related to the equity investments, the management will closely monitor the performance of respective equity investments and the changes of market condition. The Company will adjust the Company's portfolio of investments as the Board considers appropriate.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Save as disclosed in note 19 "Events After the Reporting Period" to the unaudited condensed consolidated financial statements, the Group did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the six months ended 30 June 2020.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi, Hong Kong dollar and the 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 30 June 2020, the Group has not entered into any financial instrument for foreign currency hedging purpose.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities provided by principal bankers in Hong Kong. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments of approximately HK\$805 million (as of 31 December 2019: HK\$1,044 million) as of 30 June 2020. The Group's cash and cash equivalents as of 30 June 2020 amounted to approximately HK\$523 million (as of 31 December 2019: HK\$539 million).

As of 30 June 2020, the Group had total bank and other borrowings amounting to approximately HK\$1,762 million (as of 31 December 2019: HK\$1,832 million), which were secured by legal charges on the Group's certain investment properties in Hong Kong and Shanghai, and certain equity investments. The Group's bank borrowings were mainly arranged on a floating rate basis. The maturity of bank and other borrowings of the Group as at 30 June 2020 was as follows:

	<i>HK\$'000</i> <i>(Unaudited)</i>
Within one year	371,628
In the second year	810,000
In the third to fifth years, inclusive	<u>580,000</u>
Total	<u><u>1,761,628</u></u>

With the total bank and other borrowings of approximately HK\$1,762 million (as of 31 December 2019: HK\$1,832 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$10,672 million (as of 31 December 2019: HK\$10,964 million), the Group's gearing ratio as at 30 June 2020 was around 17% (as of 31 December 2019: 17%).

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITY

As of 30 June 2020, the Group had no material contingent liability.

COMMITMENTS

As of 30 June 2020, the Group had committed payment for the construction and land development expenditure amounting to approximately HK\$43 million (as of 31 December 2019: HK\$43 million).

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2020, the Group had approximately 220 employees in Shanghai, Zhuhai and Hong Kong. During the period, the staff costs (including directors' emoluments) amounted to approximately HK\$7 million (2019: HK\$7 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including directors and senior management), their performance, experience and the prevailing market condition are mainly considered. In addition to salaries, provident fund scheme, discretionary bonuses and tuition/training subsidies are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his own remuneration.

PROSPECT

Tenants' affordability and market demand for local industrial and commercial properties have been declining amid the outbreak of the COVID-19 pandemic. As it is unlikely that the decline will be reversed in the short-term, the income of the Group from such properties may continue to be under pressure in the second half of the year. However, the Group's businesses in the PRC remained stable during the pandemic, both rental income and vacancy rate were close to the corresponding period last year. The management of the Group believes that unless being affected by unforeseeable factors, the performance of the Group's operations in the PRC will be maintained in the second half of 2020.

Factors including the worldwide outbreak of the COVID-19 pandemic, economic and monetary policies implemented by governments to stimulate economy, and the rapid deterioration of the China-US relations had dominated global financial markets in the first half of 2020. The aforesaid factors will very likely continue to affect the returns on the Group's equity investment portfolio in the second half of the year, the Group will continue to closely monitor market conditions and will take timely measures to ensure that the relevant risks are under control.

Although the COVID-19 pandemic has caused massive destruction to Hong Kong's economy, the financial position of the Group remains sound. The management of the Group believes that adopting a prudent financial management and investment strategy under the current unfavourable economic conditions, including to further strengthen the Group's liquidity through cash preservation, will ensure that the Group be capable of handling the challenges posed by the pandemic crisis.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of 30 June 2020, the interests and short positions of the directors and the chief executive of the Company and each of their respective associates, in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity and nature of interest	Number of shares held	Approximate percentage of the total number of issued shares of the Company %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	2,797,055,712*	66.91

* *The above shares are ultimately controlled by Power Resources Holdings Limited which acts as the trustee under the Power Resources Discretionary Trust, a family discretionary trust, the discretionary objects of which include Mr. Lau Chi Yung, Kenneth and his family.*

Long position in ordinary shares or underlying shares of associated corporation – Oriental Explorer Holdings Limited ("Oriental Explorer"), a subsidiary of the Company

Name of Director	Capacity and nature of interest	Number of shares held	Approximate percentage of the total number of issued shares of associated corporation %
Mr. Lau Chi Yung, Kenneth	Interest of controlled corporation	2,911,377,003**	107.83

** *1,729,540,999 out of the above shares are issued ordinary shares of Oriental Explorer, and the remaining 1,181,836,004 shares represent the consideration shares to be issued and allotted by Oriental Explorer to the Company or the Company's nominee pursuant to the Master Agreement (as defined in note 19 to the unaudited condensed consolidated financial statements), which were allotted and issued to Limitless Investment Limited on 31 July 2020. All of the above shares are ultimately controlled by Power Resources Holdings Limited which acts as the trustee under the Power Resources Discretionary Trust, a family discretionary trust, the discretionary objects of which include Mr. Lau Chi Yung, Kenneth and his family.*

The interests of the directors in the share option scheme of the Company are disclosed in note 15 to the unaudited condensed consolidated financial statements.

CHAIRMAN’S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Other than certain nominee shares in subsidiaries held by a director in trust for the companies in the Group, no director held an interest in the share capital of the subsidiaries of the Company during the six months ended 30 June 2020.

Save as disclosed above, as of 30 June 2020, none of the directors and chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading “Directors’ and chief executive’s interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations” above and in the share option scheme disclosures in note 15 to the unaudited condensed consolidated financial statements, at no time during the six months ended 30 June 2020 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN THE SHARES

So far as was known to the directors of the Company, as of 30 June 2020, the following interests of 5% or more of the total number of issued shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in ordinary shares of the Company

Name of Shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of the total number of issued shares of the Company %
Power Resources Holdings Limited	Interest of controlled corporation	2,797,055,712 [#]	66.91
Lucky Speculator Limited	Directly beneficially owned	2,195,424,000 [#]	52.52
Desert Prince Limited	Directly beneficially owned	601,631,712 [#]	14.39

[#] *Power Resources Holdings Limited was deemed to have a beneficial interest in 2,797,055,712 ordinary shares of the Company by virtue of its indirect interests through Lucky Speculator Limited and Desert Prince Limited, the wholly-owned subsidiaries, which held shares in the Company.*

Save as disclosed above, as of 30 June 2020, so far as was known to the directors of the Company, no person, other than the directors of the Company, whose interests are set out in the sections “Directors’ and chief executive’s interests or short positions in the shares, underlying shares and debentures of the Company and associated corporations” and “Directors’ rights to acquire shares or debentures” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 19 to the unaudited condensed consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7 October 2020 to Friday, 9 October 2020, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 6 October 2020. The interim dividend will be paid to shareholders whose names appear on the register of members on Friday, 9 October 2020 and the payment date will be on or about Friday, 23 October 2020.

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 six months ended 30 June 2020.

REVIEW BY AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2020.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company, the Company has applied the principles 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 six months ended 30 June 2020, 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, subjected to re-election; and (ii) all directors appointed to fill a casual 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.

OTHER INFORMATION

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 directors of the Company, all directors of the Company confirmed that they have complied with the required standard set out in the Model Code for the six months ended 30 June 2020.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for 2020 containing all the information required by the Listing Rules has been 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).

BOARD OF DIRECTORS

As of the date of this report, 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. Lee Siu Man, Ervin, Mr. Wong Yim Sum and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 27 August 2020