



Multifield

Multifield International Holdings Limited

萬事昌國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0898)

INTERIM
REPORT **2021**

* For identification purpose only

CONTENTS

	<i>Pages</i>
CORPORATE INFORMATION	2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	9
MANAGEMENT DISCUSSION AND ANALYSIS	24
OTHER INFORMATION	31

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Chi Yung, Kenneth (*Chairman*)
Mr. Lau Michael Kei Chi
(*Vice-Chairman and Managing Director*)

Independent Non-executive Directors

Mr. Tsui Ka Wah
Mr. Lo Mun Lam, Raymond (*appointed on 27 May 2021*)
Mr. Lo Kam Cheung, Patrick (*appointed on 27 May 2021*)
Mr. Wong Yim Sum (*retired on 27 May 2021*)
Mr. Lee Siu Man, Ervin (*retired on 27 May 2021*)

AUDIT COMMITTEE

Mr. Lo Mun Lam, Raymond (*Chairman*)
(*appointed on 27 May 2021*)
Mr. Tsui Ka Wah
Mr. Lo Kam Cheung, Patrick (*appointed on 27 May 2021*)
Mr. Wong Yim Sum (*retired on 27 May 2021*)
Mr. Lee Siu Man, Ervin (*retired on 27 May 2021*)

REMUNERATION COMMITTEE

Mr. Tsui Ka Wah (*Chairman*)
Mr. Lau Chi Yung, Kenneth
Mr. Lau Michael Kei Chi
Mr. Lo Mun Lam, Raymond (*appointed on 27 May 2021*)
Mr. Lo Kam Cheung, Patrick (*appointed on 27 May 2021*)
Mr. Wong Yim Sum (*retired on 27 May 2021*)
Mr. Lee Siu Man, Ervin (*retired on 27 May 2021*)

NOMINATION COMMITTEE

Mr. Lau Chi Yung, Kenneth (*Chairman*)
Mr. Lau Michael Kei Chi
Mr. Tsui Ka Wah
Mr. Lo Mun Lam, Raymond (*appointed on 27 May 2021*)
Mr. Lo Kam Cheung, Patrick (*appointed on 27 May 2021*)
Mr. Wong Yim Sum (*retired on 27 May 2021*)
Mr. Lee Siu Man, Ervin (*retired on 27 May 2021*)

COMPANY SECRETARY

Mr. Li Ying Leung

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited
Bank J. Safra Sarasin Ltd, Hong Kong Branch
Bank of China
East West Bank, Hong Kong Branch

SOLICITORS

Ng and Fang Solicitors & Notaries
Wong & Tang Solicitors
Guangdong Langqian Law Firm

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
and Registered Public Interest Entity Auditor
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

PRINCIPAL PLACE OF BUSINESS

Units 22-28, 25/F
Tower A, Southmark
11 Yip Hing Street
Wong Chuk Hang
Hong Kong

PRINCIPAL SHARE REGISTRAR & TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR & TRANSFER OFFICE

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

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 2021, together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	Notes	For the six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (Restated)
REVENUE	3	180,678	(126,743)
Cost of sales		<u>(24,826)</u>	<u>(21,433)</u>
Gross profit/(loss)		155,852	(148,176)
Other income and gains	3	11,775	5,041
Foreign exchange differences, net		38	(548)
Loss on disposal of investment properties		(471)	–
Operating and administrative expenses		(19,852)	(20,264)
Finance costs	5	<u>(8,436)</u>	<u>(20,165)</u>
PROFIT/(LOSS) BEFORE TAX	4	138,906	(184,112)
Income tax expense	6	<u>(5,721)</u>	<u>(6,079)</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>133,185</u>	<u>(190,191)</u>
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		109,568	(115,419)
Non-controlling interests		<u>23,617</u>	<u>(74,772)</u>
		<u>133,185</u>	<u>(190,191)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	<u>HK13.11 cents</u>	<u>HK(13.80) cents</u>

Details of interim dividend are disclosed in note 7.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	133,185	(190,191)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	—	(1)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	<u>133,185</u>	<u>(190,192)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		
ATTRIBUTABLE TO:		
Owners of the Company	109,568	(115,420)
Non-controlling interests	<u>23,617</u>	<u>(74,772)</u>
	<u>133,185</u>	<u>(190,192)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	As at 30 June 2021	As at 31 December 2020
<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	205,708	207,737
Investment properties	10,635,168	10,652,048
Right-of-use assets	353	357
Club debenture	330	330
	10,841,559	10,860,472
CURRENT ASSETS		
Properties held for sale	281,851	281,851
Trade receivables	9,092	7,014
Prepayments, deposits and other receivables	251,457	246,675
Equity investments at fair value through profit or loss	918,652	869,520
Cash and cash equivalents	406,559	466,777
	1,867,611	1,871,837
TOTAL ASSETS	12,709,170	12,732,309
CURRENT LIABILITIES		
Trade payables	1,865	2,803
Other payables and accruals	190,815	186,487
Deposits received	67,677	63,970
Interest-bearing bank and other borrowings	1,081,205	1,226,653
Tax payable	53,822	53,813
	1,395,384	1,533,726
NET CURRENT ASSETS	472,227	338,111
TOTAL ASSETS LESS CURRENT LIABILITIES	11,313,786	11,198,583

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	As at 30 June 2021 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	<i>12</i>	380,000	400,000
Amount due to a director	<i>13</i>	127,674	102,813
Deferred tax liabilities		1,276,422	1,276,422
Total non-current liabilities		1,784,096	1,779,235
Net assets		9,529,690	9,419,348
EQUITY			
Equity attributable to owners of the Company			
Issued capital	<i>14</i>	41,804	41,804
Reserves		7,627,869	7,539,203
Non-controlling interests		7,669,673	7,581,007
		1,860,017	1,838,341
Total equity		9,529,690	9,419,348

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	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 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>
At 1 January 2021	41,804	39,116	293,372	7,448	577,584	6,621,683	1,838,341	9,419,348
Profit for the period	-	-	-	-	-	109,568	23,617	133,185
Other comprehensive expense for the period	-	-	-	-	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(1,941)	(1,941)
Final 2020 dividend declared	-	-	-	-	-	(20,902)	-	(20,902)
At 30 June 2021	<u>41,804</u>	<u>39,116</u>	<u>293,372</u>	<u>7,448</u>	<u>577,584</u>	<u>6,710,349</u>	<u>1,860,017</u>	<u>9,529,690</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Notes	For the six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
NET CASH INFLOW FROM OPERATING ACTIVITIES		93,634	59,491
NET CASH INFLOW FROM INVESTING ACTIVITIES		18,014	1,642
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(171,866)	(76,967)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(60,218)	(15,834)
Cash and cash equivalents at beginning of the period		466,777	538,641
Effect of foreign exchange rate change, net		–	(1)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		406,559	522,806
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	11	171,186	161,110
Non-pledged deposits with original maturity of less than six months when acquired	11	235,373	361,696
		406,559	522,806

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 2020 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 2021.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform - Phase 2</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions</i>

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 3	<i>Reference to the Conceptual Framework¹</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
HKFRS 17	<i>Insurance Contracts²</i>
Amendments to HKFRS 17	<i>Insurance Contracts^{2, 5}</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current^{2, 4}</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use¹</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract¹</i>
<i>Annual Improvements to HKFRSs 2018 – 2020</i>	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41¹</i>

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

⁵ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into three (six months ended 30 June 2020: three) 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; and
- (c) the trading and investments segment includes the trading of securities and investment income from securities investment and investment holding.

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. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that unallocated corporate expenses, interest income on bank deposits, loss on disposal of investment properties, other gains and non-lease-related finance costs are excluded from such measurement.

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							
	2021	2020	2021	2020	2021	2020	2021	2020
	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	<u>97,919</u>	<u>93,933</u>	<u>18,219</u>	<u>17,139</u>	<u>64,540</u>	<u>(237,815)</u>	<u>180,678</u>	<u>(126,743)</u>
Segment results	<u>79,973</u>	<u>82,189</u>	<u>(2,906)</u>	<u>(7,204)</u>	<u>62,956</u>	<u>(237,881)</u>	<u>140,023</u>	<u>(162,896)</u>
<i>Reconciliation:</i>								
Unallocated corporate expenses							(3,985)	(6,092)
Interest income on bank deposits							1,491	1,487
Loss on disposal of investment properties							(471)	-
Other gains							10,284	3,554
Finance costs							<u>(8,436)</u>	<u>(20,165)</u>
Profit/(loss) before tax							<u>138,906</u>	<u>(184,112)</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

	Hong Kong		Mainland China		Total	
			For the six months ended 30 June			
	2021	2020	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from external customers	<u>100,714</u>	<u>(202,393)</u>	<u>79,964</u>	<u>75,650</u>	<u>180,678</u>	<u>(126,743)</u>

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 2021 and 2020.

3. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2021	2020
	<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>18,219</u>	<u>17,139</u>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	<u>97,919</u>	<u>93,933</u>
Fair value gains/(losses) on equity investments at fair value through profit or loss, net	<u>49,132</u>	(239,266)
Dividend income from listed investments	<u>15,408</u>	<u>1,451</u>
	<u><u>180,678</u></u>	<u><u>(126,743)</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Revenue from contracts with customers

(a) *Disaggregation of revenue information*

	For the six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
By source of revenue:		
<i>Revenue recognised overtime</i>		
Serviced apartment and property management	<u>18,219</u>	<u>17,139</u>
By geographical locations:		
Hong Kong	686	524
Mainland China	<u>17,533</u>	<u>16,615</u>
	<u>18,219</u>	<u>17,139</u>

(b) *Performance obligations for contracts with customers*

Serviced apartment and 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.

Other income and gains

	For the six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income earned on bank balances	1,491	1,487
Others	<u>10,284</u>	<u>3,554</u>
	<u>11,775</u>	<u>5,041</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Depreciation of property, plant and equipment	1,915	2,045
Depreciation of right-of-use assets	4	4
Foreign exchange differences, net	38	(548)
	<u> </u>	<u> </u>
Employee benefits expense (including directors' and chief executive's remuneration):		
Salaries, wages and other benefits	6,777	6,652
Pension scheme contributions (defined contribution scheme)	150	155
	<u> </u>	<u> </u>
Total staff costs	<u>6,927</u>	<u>6,807</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest on bank loans, overdrafts and other loans	<u>8,436</u>	<u>20,165</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong for the period. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China, in which the Group operates.

	For the six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong		
Charge for the period	–	–
Over provision in prior years	–	–
Current – Mainland China		
Charge for the period	<u>5,721</u>	<u>6,079</u>
Total tax charge for the period	<u><u>5,721</u></u>	<u><u>6,079</u></u>

7. DIVIDENDS

(a) Dividends recognised as distribution during the period:

	For the six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Final dividend paid in respect of previous financial year – HK2.5 cents per ordinary share of par value HK\$0.05 each (2020: HK0.75 cents per ordinary share of par value HK\$0.01 each)	<u><u>20,902</u></u>	<u><u>31,353</u></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	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interim dividend declared – HK2 cents per ordinary share of par value HK\$0.05 each (2020: HK0.50 cents per ordinary share of par value HK\$0.01 each)	<u>16,721</u>	<u>20,902</u>

The Board declared an interim dividend of HK2 cents per share at the meeting held on 26 August 2021. Dividend warrants will be posted on or about 21 October 2021 to shareholders whose names appear on the register of members of the Company on 7 October 2021.

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

The calculation of basic earnings/(loss) per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company of approximately HK\$109,568,000 (2020: loss for the period of approximately HK\$115,419,000) and the weighted average number of ordinary shares of 836,074,218 (2020: 836,074,218 shares as adjusted to reflect the effect of the share consolidation of the Company with effect from 31 May 2021) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2021 and 2020.

9. TRADE RECEIVABLES

	As at 30 June 2021 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
Trade receivables	<u>9,092</u>	<u>7,014</u>
	<u>9,092</u>	<u>7,014</u>

Trade receivables mainly consist 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 2021 HK\$'000 <i>(Unaudited)</i>	As at 31 December 2020 HK\$'000 <i>(Audited)</i>
Within 1 month	1,944	1,820
1 to 2 months	1,056	989
2 to 3 months	1,221	151
Over 3 months	<u>4,871</u>	<u>4,054</u>
	<u><u>9,092</u></u>	<u><u>7,014</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 2021 HK\$'000 <i>(Unaudited)</i>	As at 31 December 2020 HK\$'000 <i>(Audited)</i>
Within 1 month	1,865	2,803
1 to 2 months	–	–
2 to 3 months	–	–
Over 3 months	<u>–</u>	<u>–</u>
	<u><u>1,865</u></u>	<u><u>2,803</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

	As at 30 June 2021 <i>HK\$'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(Audited)</i>
Cash and bank balances	171,186	61,141
Time deposits with original maturity of less than six months	235,373	405,636
Cash and cash equivalents	406,559	466,777

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to approximately HK\$249,276,000 (as at 31 December 2020: HK\$168,637,000). 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 six 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 2021			As at 31 December 2020		
	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	977,000	HIBOR plus a range of 0.95 to 1.30	2021-2023 or on demand	977,000
Secured short term loans denominated in Hong Kong dollar	0.57	2021	104,205	0.54	2021	249,653
			<u>1,081,205</u>			<u>1,226,653</u>
Non-current liabilities						
Secured bank loan denominated in Hong Kong dollar	HIBOR plus a range of 0.95 to 1.30	2022-2023	380,000	HIBOR plus a range of 0.95 to 1.30	2022-2023	400,000
			<u>1,461,205</u>			<u>1,626,653</u>

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 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	977,000	977,000
In the second year	380,000	40,000
In the third to fifth years, inclusive	–	360,000
	<u>1,357,000</u>	<u>1,377,000</u>
Other borrowings repayable within one year	<u>104,205</u>	<u>249,653</u>
	<u>1,461,205</u>	<u>1,626,653</u>

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\$5,700,700,000 (as at 31 December 2020: HK\$5,700,580,000);
- (ii) personal guarantees given by a director of the Company and its subsidiaries; and
- (iii) the Company has guarantee certain of the Group's bank loans up to HK\$1,628,000,000 (as at 31 December 2020: HK\$1,628,000,000) as at the end of the reporting period.

At 30 June 2021, the Group's short term loans with investment banks are secured by certain listed equity investments with an aggregate carrying value of approximately HK\$371,016,000 (as at 31 December 2020: HK\$855,911,000).

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

	As at 30 June 2021 HK\$'000 <i>(Unaudited)</i>	As at 31 December 2020 HK\$'000 <i>(Audited)</i>
Authorised:		
10,000,000,000 ordinary shares of par value HK\$0.05 each (31 December 2020: 50,000,000,000 ordinary shares of par value HK\$0.01 each)	500,000	500,000
Issued and fully paid:		
836,074,218 ordinary shares of par value HK\$0.05 each (31 December 2020: 4,180,371,092 ordinary shares of par value HK\$0.01 each)	41,804	41,804

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. SHARE CAPITAL (continued)

Shares (continued)

A summary of movements in the Company's authorised and issued share capital is as follows:

	Number of shares '000	Share capital HK\$'000
Authorised:		
At 1 January 2020, 31 December 2020 and 1 January 2021 (audited)	50,000,000	500,000
Share consolidation (Note)	<u>(40,000,000)</u>	<u>–</u>
At 30 June 2021 (unaudited)	<u>10,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2020, 31 December 2020 and 1 January 2021 (audited)	4,180,371	41,804
Share consolidation (Note)	<u>(3,344,297)</u>	<u>–</u>
At 30 June 2021 (unaudited)	<u>836,074</u>	<u>41,804</u>

Note: On 31 May 2021, every five (5) issued and unissued ordinary shares of par value HK\$0.01 each in the share capital of the Company were consolidated into one (1) ordinary share of par value HK\$0.05 each pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 27 May 2021.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 15 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. SHARE OPTION SCHEME *(continued)*

The total number of securities available for issue under the 2013 Scheme was 418,037,109, which was equivalent to 10% of the issued share capital of the Company at the date of adoption of the 2013 Scheme (as a result of the share consolidation of the Company with effect from 31 May 2021, the total number of ordinary shares of the Company available for issue under the 2013 Scheme has been adjusted to 83,607,421 shares). The maximum number of shares issuable under share options to each eligible participant in the 2013 Scheme with in 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, 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 2021, the Company has given corporate guarantees in favour of banks for banking facilities granted to its subsidiaries to the extent of approximately HK\$1,628,000,000 (as at 31 December 2020: HK\$1,628,000,000), of which approximately HK\$1,357,000,000 (as at 31 December 2020: HK\$1,377,000,000) 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

(a) **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\$97,919,000 (2020: HK\$93,933,000), details of which are included in note 3 to the unaudited condensed consolidated financial statements.

At 30 June 2021, 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 2021 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Audited)
Within one year	93,786	95,057
In the second year	21,323	23,244
In the third year	3,980	5,087
	<u>119,089</u>	<u>123,388</u>

(b) **The Group as a lessee**

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

	For the six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Depreciation charge of right-of-use assets	4	4
Expense relating to short-term leases	–	72
Total amount recognised in profit or loss	<u>4</u>	<u>76</u>

The Group regularly entered into short-term leases for office premise. 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 the lease agreement.

For the period ended 30 June 2021, the Group had no cash outflow for leases (2020: HK\$450,000).

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. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 26 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

During the period under reporting, the Group recorded a profit of approximately HK\$133 million (2020: loss of HK\$190 million). This is mainly due to the unrealised fair value gain on the equity investments held by the Group.

The Group's rental income in Hong Kong remained stable during the period under reporting.

The Group's rental and management fee income from hotel-serviced apartments and villas in Shanghai recorded an increase of approximately 6%.

The Group's equity investments recorded unrealised fair value gain of approximately HK\$49 million (2020: loss of HK\$239 million). Equity investments recorded dividend income of approximately HK\$15 million (2020: HK\$1 million).

PROPERTY INVESTMENT

Hong Kong

The Group's investment properties in Hong Kong mainly comprised 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 2021 (2020: HK\$35 million).

Shanghai, China

The Group's properties portfolio in Shanghai, China is divided into three residential complexes, around 182 blocks of hotel-serviced villas and 132 hotel-serviced apartments. 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 had an average occupancy rate of approximately 90%, and generated rental and management fee revenue of approximately HK\$80 million for the six months ended 30 June 2021 (2020: HK\$76 million).

Zhuhai, China

Qianshan, Zhuhai

The Group has a plot of 36,808 square meters commercial use land in Qianshan, Zhuhai, where a few existing residents have not yet relocated. Local government is responsible for relocation work, but the progress has been very slow.

To speed up the relocation progress, the Group has proposed to local government an adjustment in planning that a portion of such commercial use land be allocated for building residential units for in situ resettlement of existing residents. However, such proposal requires coordination among a number of government departments, for example, the change of land use planning. The Group is currently waiting for comments and approval from relevant government departments.

MANAGEMENT DISCUSSION AND ANALYSIS

Doumen, Zhuhai

On 24 February 2021, 珠海市自然資源局 (literally translated as Zhuhai Municipal Natural Resources Bureau) issued its latest compensation notice (letter reference number (2021)52) in respect of the resumption of the 94,110.84 square meters hotel, commercial and exhibition use land located in Doumen, Zhuhai (the “Doumen Land”) which was previously owned by the Group, the amount of compensation was RMB205,538,078.

The management considered that the Zhuhai Municipal Natural Resources Bureau had no legal basis to make the above compensation decision and was against legal procedures. The Zhuhai Municipal Natural Resources Bureau not only failed to specify relevant legal basis on the above compensation notice, it also once again hired valuation agency unilaterally without the Group’s consent, and submitted to such agency information which had not been confirmed by the Group as the basis for making assessment. As a result, the assessment for the Doumen Land’s value was substantially inaccurate and thus was unfair to the Group. To protect the Group’s legitimate interests, the Group has engaged lawyers to file administrative complaints against local government departments including the Zhuhai Municipal Natural Resources Bureau, 珠海市斗門區人民政府 (literally translated as People’s Government of Zhuhai Doumen District), and 珠海市斗門區井岸鎮人民政府 (literally translated as People’s Government of Zhuhai Doumen District Jingan Town).

As of the date of approval of these condensed consolidated financial statements, the Group has not reached an agreement with the Zhuhai Municipal Natural Resources Bureau on the amount of compensation available to the Group in respect of the resumption of the Doumen Land. Nevertheless, no material negative impact on the daily operations and the financial position of the Group is expected.

FINANCIAL INVESTMENTS

During the period under reporting, equity investments held by the Group recorded net fair value gain.

As of 30 June 2021, the Group held approximately HK\$919 million (as of 31 December 2020: HK\$870 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 gain of approximately HK\$49 million (2020: loss of HK\$239 million) when marking the investment portfolios to market valuation as of 30 June 2021, along with dividend income of approximately HK\$15 million (2020: HK\$1 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The equity investments held by the Group as at 30 June 2021 were as follows:

Stock Code	Company Name	Principal Business	Number of	Percentage	Investment cost	Realised	Unrealised	Dividend income	Fair value/ carrying amount	Percentage
			shares held as at 30 June 2021	of shareholding as at 30 June 2021		gain on change in fair value for the period ended 30 June 2021	gain/(loss) on change in fair value for the period ended 30 June 2021			to the Company's total asset as at 30 June 2021
			'000	%	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	%
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	0.24	196,381	-	14,444	1,021	229,534	1.81
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	-	23,545	6,692	257,558	2.03
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	1.30	337,354	-	(1,332)	-	288,245	2.27
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	-	4,102	6,963	81,747	0.64
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	-	1,479	598	16,507	0.13
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	-	(1,700)	-	15,400	0.12

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 2021	June 2021		gain on change in fair value for the period ended 30 June 2021	gain/(loss) on change in fair value for the period ended 30 June 2021			
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
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	-	3,281	-	8,988	0.07
	Other listed securities [#]				56,014	-	5,313	134	20,673	0.16
						-	49,132	15,408	918,652	7.23

[#] Other listed securities mainly represented the Group's investment in 11 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 2021.

As at 30 June 2021, 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.

CAPITAL STRUCTURE

Details of changes in capital structure of the Company during the six months ended 30 June 2021 are as follows:

Share consolidation

On 26 March 2021, the Board proposed to implement a share consolidation on the basis of every five (5) ordinary shares of par value HK\$0.01 each in the capital of the Company be consolidated into one (1) ordinary share of par value HK\$0.05 each. By an ordinary resolution passed at the annual general meeting of the Company held on 27 May 2021, the aforesaid share consolidation took effect on 31 May 2021. Please refer to (i) the announcement of the Company dated 26 March 2021; (ii) the circular of the Company dated 22 April 2021; and (iii) the poll results announcement of the Company dated 27 May 2021 for details.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Group did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the six months ended 30 June 2021.

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 2021, 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\$919 million (as of 31 December 2020: HK\$870 million) as of 30 June 2021. The Group's cash and cash equivalents as of 30 June 2021 amounted to approximately HK\$407 million (as of 31 December 2020: HK\$467 million).

As of 30 June 2021, the Group had total bank and other borrowings amounted to approximately HK\$1,461 million (as of 31 December 2020: HK\$1,627 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 2021 was as follows:

	<i>HK\$'000</i> <i>(Unaudited)</i>
Within one year	1,081,205
In the second year	380,000
In the third to fifth years, inclusive	—
Total	<u>1,461,205</u>

With the total bank and other borrowings of approximately HK\$1,461 million (as of 31 December 2020: HK\$1,627 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$10,991 million (as of 31 December 2020: HK\$11,046 million), the Group's gearing ratio as at 30 June 2021 was around 13% (as of 31 December 2020: 15%).

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITY

As of 30 June 2021, the Group had no material contingent liability.

COMMITMENTS

As of 30 June 2021, the Group had committed payment for the construction and land development expenditure amounting to approximately HK\$43 million (as of 31 December 2020: HK\$43 million).

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2021, 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 (2020: 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

The global COVID-19 pandemic situation continued to fluctuate in the first half of 2021. The pace of global economic recovery is full of uncertainties amid the new wave of pandemic around the world brought about by coronavirus variant.

Property investment

Although the Group's investment properties are situated in Hong Kong and the Mainland China where the pandemic has been quite well contained, the management is cautious about the Group's financial performance in the second half of 2021. As at the date of approving these condensed consolidated financial statements, many social distancing and travel restrictions implemented to contain the COVID-19 pandemic are still in force.

In Hong Kong, as the operating environment of particular industries such as retail, catering, and tourism remains severe, it is expected that tenants' affordability in general may not significantly improve in the remaining of 2021, resulting in considerable pressure on both rental yield and occupancy rate of the Group's investment properties in Hong Kong in the short- to medium- term.

The impact of the COVID-19 pandemic on the Group's operations in Mainland China has been mild thus far. Assuming the pandemic situation continues to be under control and there is no unexpected adverse event, the performance of the Group's operations in Mainland China in the second half of 2021 is estimated to be similar to that in the first half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial investments

Under the prolonged pandemic, global stock market fluctuations, which could bring about material positive or negative impact on the results of the Group, is expected to persist in the rest of 2021. The management of the Group will pay close attention to the situation and will take appropriate steps when necessary.

The performance of the Group is inevitably under the influence of the COVID-19 pandemic situation's development, nevertheless the Group managed to maintain a sound financial position with a sustainable and stable debt level amid the pandemic. Looking ahead, the Group will maintain its prudent financial strategy, and will also continue to explore and grasp suitable investment opportunities to create value for shareholders.

OTHER INFORMATION

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 2021, 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	559,411,142*	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 of associated corporation – Oriental Explorer Holdings Limited, 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	291,137,700**	75

** *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.

OTHER INFORMATION

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 2021.

Save as disclosed above, as of 30 June 2021, 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 2021 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 2021, the following interests of 5% or more in the 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	559,411,142 [#]	66.91
Lucky Speculator Limited	Directly beneficially owned	439,084,800 [#]	52.52
Desert Prince Limited	Directly beneficially owned	120,326,342 [#]	14.39

[#] *Power Resources Holdings Limited was deemed to have a beneficial interest in 559,411,142 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 2021, 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

There were no significant events which may materially affect the Group's operations and financial performance subsequent to 30 June 2021 and up to the date of this report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 5 October 2021 to Thursday, 7 October 2021, 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 Monday, 4 October 2021. The interim dividend will be paid to shareholders whose names appear on the register of members on Thursday, 7 October 2021 and the payment date will be on or about Thursday, 21 October 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2021.

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 2021.

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 2021, 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.

Certain 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 2021.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for 2021 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. Lo Mun Lam, Raymond, Mr. Lo Kam Cheung, Patrick and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 26 August 2021