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MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF 30% EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The Board is pleased to announce that on 16 February 2016 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors in relation to the acquisition of the Sale Shares by the Purchaser for a consideration of HK\$152 million. Upon Completion, the Group's equity interest in the Target Company will increase from 46.62% to 76.62%, while the Vendors will cease to hold any equity interest in the Target Company. The financial results of the Target Company will continue to be consolidated to the financial results of the Group.

As of the date of this announcement, The Target Company, through its wholly-owned subsidiaries, is principally engaged in the provision of serviced residences in Changning District, Shanghai, PRC.

LISTING RULES IMPLICATION

Since the relevant applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Vendors are substantial shareholders (as defined in the Listing Rules) of the Target Company by virtue of controlling over 10% of the voting power at general meetings of the Target Company prior to the Completion, the Vendors are connected persons (as defined in the Listing Rules) of the Company at the subsidiary level, and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) the Vendors are connected persons of the Company at the subsidiary level; (ii) the Acquisition is on normal commercial terms; (iii) the Board has approved the Acquisition; and (iv) the Directors, including all the independent non-executive Directors, have confirmed that the terms of the Acquisition are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 16 February 2016 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors in relation to the acquisition of the Sale Shares by the Purchaser for a consideration of HK\$152 million. Upon Completion, the Group's equity interest in the Target Company will increase from 46.62% to 76.62%, while the Vendors will cease to hold any equity interest in the Target Company. The financial results of the Target Company will continue to be consolidated to the financial results of the Group.

THE ACQUISITION

The Agreement

Date:

16 February 2016

Parties

- (1) the Purchaser, an indirect wholly-owned subsidiary of the Company, as the purchaser; and
- (2) the Vendors, namely Vendor 1, Vendor 2, Vendor 3 and Vendor 4, as vendors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save in respect of its interest in the Sale Shares, the Vendors and their ultimate beneficial owners are independent of the Company and its connected persons.

As the Vendors are substantial shareholders (as defined in the Listing Rules) of the Target Company by virtue of controlling over 10% of the voting power at general meetings of the Target Company prior to the Completion, the Vendors are connected persons (as defined in the Listing Rules) of the Company at the subsidiary level.

Assets to be acquired

Under the Agreement, the Purchaser has agreed to acquire, and the Vendors have agreed to sell, the Sale Shares. As at the date of this announcement, the Target Company, through its wholly-owned subsidiaries, is principally engaged in the provision of serviced residences in Changning District, Shanghai, PRC.

The Consideration

Pursuant to the Agreement, the consideration for the Acquisition shall be HK\$152 million.

The consideration was determined after arm-length's negotiations between the Group and the Vendors with reference to (i) the net asset value of the Target Company; and (ii) the percentage of equity interest of the Target Company held by the Vendors. According to the statutory records of the Target Company, the Vendors' original cost of the Sale Shares was HK\$30 (by allotment of shares of HK\$1 each) dated 15 August 1994.

The consideration payable by the Purchaser for the Acquisition will be financed by the internal resources of the Group.

The Completion

Completion shall take place in Hong Kong on 16 February 2016.

At Completion, the Purchaser shall pay the consideration payable for the Sale Shares to the Vendors by way of cashier orders drawn by the Purchaser's solicitors upon licensed banks in Hong Kong in favour of the Vendors in accordance with the portion of the consideration to which each of the Vendors is entitled in respect of the Shares respectively held and owned by the Vendors.

Upon Completion, the Group's equity interest in the Target Company will increase from 46.62% to 76.62%, while the Vendors will cease to hold any equity interest in the Target Company. The financial results of the Target Company will continue to be consolidated to the financial results of the Group.

GENERAL INFORMATION ON THE GROUP, THE VENDORS AND THE TARGET COMPANY

The Group is principally engaged in property development, investment and management; provision of hotel-serviced residences; and securities and bonds investment holding.

Vendor 1 is a limited liability company established in the British Virgin Islands and is principally engaged in investment holding (including the holding of the Target Company as investments immediately before the Completion). Vendor 1 holds 10% interest in the Target Company before the Acquisition.

Vendor 2 is a limited liability company established in Hong Kong and is principally engaged in investment holding (including the holding of the Target Company as investments immediately before the Completion). Vendor 2 holds 10% interest in the Target Company before the Acquisition.

Vendor 3 is a limited liability company established in Hong Kong and is principally engaged in investment holding (including the holding of the Target Company as investments immediately before the Completion). Vendor 3 holds 5% interest in the Target Company before the Acquisition.

Vendor 4 is a Hong Kong resident. Vendor 4 holds 5% interest in the Target Company before the Acquisition.

The Target Company, through its wholly-owned subsidiaries, is principally engaged in the provision of serviced residences in Changning District, Shanghai, PRC.

Set out below are the net profit (both before and after tax) of the Target Company and its subsidiaries for the year ended 31 December 2014 and 31 December 2013 according to the management accounts of the Target Company:

	For the year ended 31 December 2014 (audited) HK\$ million	For the year ended 31 December 2013 (audited) HK\$ million
Net profit before tax	42	35
Net profit after tax	35	28

The net asset value of the Target Company and its subsidiaries as at 31 December 2014 (audited) and 31 December 2013 (audited) are approximately HK\$589 million and HK\$578 million respectively.

REASON FOR AND BENEFITS OF THE ACQUISITION

The Group currently owns an effective holding of 46.62% equity interest in the Target Company. The Company considers that the Acquisition will increase the Group's effective holding of equity interest in the Target Company to 76.62%, and will enable the Group to have greater economic efficiency and re-development potential of the project in the future.

The Directors (including all the independent non-executive Directors) consider that the terms of the Agreement (including the consideration thereof) are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the relevant applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Vendors are substantial shareholders (as defined in the Listing Rules) of the Target Company by virtue of controlling over 10% of the voting power at general meetings of the Target Company prior to the Completion, the Vendors are connected persons (as defined in the Listing Rules) of the Company at the subsidiary level, and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) the Vendors are connected persons of the Company at the subsidiary level; (ii) the Acquisition is on normal commercial terms; (iii) the Board has approved the Acquisition; and (iv) the Directors, including all the independent non-executive Directors, have confirmed that the terms of the Acquisition are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors are regarded as having a material interest in the Acquisition, none of the Directors are required to abstain from voting on the Board resolution approving the Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“the Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Agreement
“the Agreement”	the agreement for sale and purchase of 30 ordinary shares of the Target Company dated 16 February 2016 entered into between the Purchaser and the Vendors
“Board”	the board of Directors
“Company”	Multifield International Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange
“Completion”	the completion of the sale and purchase of the Sale Shares under the Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“the Purchaser”	Lucky River Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and is an indirect wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China
“the Sale Shares”	all the 30 Shares respectively held and owned by the Vendors, representing 30% of the total issued share capital of the Target Company
“the Shares”	the ordinary shares in the capital of the Target Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Kiuson Development Limited (僑生發展有限公司), a company incorporated under the laws of Hong Kong with limited liability and is an indirect non-wholly owned subsidiary of the Company
“Vendor(s)”	the vendor(s) under the Agreement dated 16 February 2016
“Vendor 1”	Unipower Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Vendor 2”	Peaceton Development Limited (緯安發展有限公司), a company incorporated under the laws of the Hong Kong with limited liability
“Vendor 3”	Honorway Nominees Limited (恒威代理人有限公司), a company incorporated under the laws of the Hong Kong with limited liability
“Vendor 4”	Mr. Liang Chong Wai, a Hong Kong resident
“%”	per cent.

By Order of the Board
Multifield International Holdings Limited
Lau Kwok Yin, Pete
Company Secretary

Hong Kong, 16 February 2016

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