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MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 898)

DISCLOSEABLE TRANSACTION ACQUISITION OF A PRC COMPANY

The Board is pleased to announce that on 11 June 2006, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Vendors, pursuant to which the Vendors have agreed to transfer and the Purchaser has agreed to acquire 100% interest in the Target Company at a Consideration expected to be not more than RMB134,282,568 (equivalent to approximately HK\$129,117,854).

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

A circular containing further information on the Acquisition will be dispatched to the Shareholders as soon as practicable.

At the request of the Company, dealings in the Shares on the Stock Exchange were suspended with effect from 9:30 a.m. on 12 June 2006 pending the release of this announcement. Application has been made for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 June 2006.

THE SHARE TRANSFER AGREEMENT

Date: 11 June 2006

Parties:

Vendors: De Zheng (珠海經濟特區德正集團有限公司) and Century Urban (珠海世紀都市置業投資有限公司), both being companies incorporated in the PRC

Purchaser: Kiuson Development (Shanghai) Ltd., a wholly-foreign owned enterprise registered under the PRC law and a wholly-owned subsidiary of the Company

Guarantors: Xu De Lai (許德來), Chen Xian (陳賢) and Li Zhi Yi (李志毅), all being PRC citizens

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors, the Guarantors and their respective ultimate beneficial owners are Independent Third Parties.

Assets to be Acquired:

The Target Company is a limited liability company incorporated in Zhuhai, the PRC on 12 March 2004 with a registered capital of RMB10,000,000 (equivalent to approximately HK\$9,615,385). The Target Company is currently owned as to 55% by De Zheng and 45% by Century Urban.

The principal activity of the Target Company is the development of the Site, which can be redeveloped for commercial purposes upon completion of demolition and removal of existing constructions thereon. To complete such demolition and removal, the Target Company is required to prepay a compensation fee for the demolition and removal to the relevant PRC government departments and as a result the PRC government will grant to the Target Company more construction area for the Site.

The unaudited net asset value of the Target Company as at 31 May 2006 was RMB 8,996,233 (equivalent to approximately HK\$8,650,224). Since the Site is currently pending development, the Target Company has not generated any profit since its establishment on 12 March 2004 but has incurred expenses relating to the development of the Site and related administrative costs. Such costs and expenses amounting to approximately RMB1,003,767 (equivalent to approximately HK\$965,161) have been expensed in the income statement of the Target Company as at 31 May 2006.

Consideration:

The Consideration is equal to RMB3,330 (equivalent to approximately HK\$3,202) multiplied by the Final Construction Area up to a maximum of 44,829.6 square metres, less demolition fee of RMB20,000,000 (equivalent to approximately HK\$19,230,769). If the Final Construction Area exceeds 44,829.6 square metres, the Consideration will be increased by extra land price of the Site accordingly but up to RMB5,000,000 (equivalent to about HK\$4,807,692). Therefore, the Consideration is expected to be not more than RMB134,282,568 (equivalent to approximately HK\$129,117,854). The Consideration is to be paid in cash and funded by the working capital of the Group. The payment terms of the Consideration are as follows:

- (1) Before 15 June 2006, the Purchaser shall pay an initial deposit (the "Initial Deposit") in the sum of RMB20,000,000 (equivalent to approximately HK\$19,230,769) to the Vendors.
- (2) Within 3 days upon receiving business licence from the relevant Industrial and Commercial Administration Bureau after the Purchaser has completed its due diligence investigation on the Target Company and the Site to its satisfaction, the Purchaser shall pay a further sum of RMB40,000,000 (equivalent to approximately HK\$38,461,538) to the Vendors.

- (3) Within 3 days upon receiving a new business license for the Target Company, the Purchaser shall pay a further sum of RMB10,000,000 (equivalent to approximately HK\$9,615,385) to the Vendors.
- (4) Within 4 months after the payment of the Initial Deposit, the Purchaser shall pay a further sum of RMB10,000,000 (equivalent to approximately HK\$9,615,385) to the Vendors.
- (5) Within 7 working days upon the completion of the demolition and removal work at the Site and the relevant procedures to adjust the Final Construction Area, the Purchaser shall pay the remaining Consideration to the Vendors.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser with reference to the location and size of the Site, the price of property in Zhuhai, the PRC and future profitability of development of the Site.

Other Financial Commitments by the Purchaser:

Besides the Consideration payable to the Vendors, the Purchaser is also required to inject RMB20,000,000 (equivalent to approximately HK\$19,230,769) into the Target Company as prepayment for the Site's demolition and removal costs.

Therefore, the total financial commitment by the Purchaser in relation to the Acquisition, taking into account the aforesaid commitment and the Consideration, will be up to RMB154,282,568 (equivalent to about HK\$148,348,623).

Termination:

The Purchaser shall be entitled to terminate the Share Transfer Agreement if any of the following conditions, amongst others, have occurred:

- (1) There is material difference between the result of due diligence investigation on the Target Company and the Site conducted by the Purchaser, and the representations, declarations and warranties given by the Vendors regarding the Target Company and the Site in the Share Transfer Agreement.
- (2) The Acquisition is not approved by the relevant PRC government departments.

Other Undertakings and Guarantee Provisions:

The Share Transfer Agreement contains the following key undertaking and guarantee provisions:

- (1) The Vendors undertake that:
 - (a) they shall be legally entitled to the development of the Site without restrictions;
 - (b) they shall be responsible for all the indebtedness incurred by the Target Company prior to the completion of the Acquisition; and

- (c) they shall be liable for each other's legal and economic liabilities to the Purchaser arising from the Share Transfer Agreement.
- (2) The Guarantors shall be liable for the Vendors' legal and economic liabilities to the Purchaser arising from the Share Transfer Agreement and such guarantee shall be valid for a period of 4 years from the completion of the Acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The net losses (both before and after taxation and extraordinary items) attributable to the Target Company for each of the 2 years ended 31 December 2005 are RMB385,291 (equivalent to approximately HK\$370,472) and RMB489,111 (equivalent to approximately HK\$470,299) respectively.

The Directors believe that the Acquisition will present a good opportunity for the Company to strengthen its business in the field of property development in the PRC. Having confidence in the property market in Zhuhai, the Directors also believe that the development of the Site will bring reasonable profit to the Company.

The Directors consider that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Vendors are companies incorporated in the PRC and are principally engaged in property development.

The Purchaser is a wholly-owned subsidiary of the Company incorporated in the PRC and its principal activities are property development. The Company is an investment holding company incorporated in Bermuda and the activities of its subsidiaries include the business of investment holding, provision of property management services, property investment, property letting, metal trading, provision of property agency services, trading of electronic products and manufacture of electronic components.

GENERAL

As the maximum financial commitment of the Purchaser of RMB154,282,568 (equivalent to approximately HK\$148,348,623) represents more than 5% but less than 25% of the applicable percentage ratios, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

The Target Company will become a subsidiary of the Company upon completion of the Acquisition. A circular containing, among other things, details of the Share Transfer Agreement and the transaction contemplated therein, will be dispatched to the Shareholders as soon as practicable.

At the request of the Company, dealings in the Shares on the Stock Exchange were suspended with effect from 9:30 a.m. on 12 June 2006 pending the release of this announcement. Application has been made for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 June 2006.

DEFINITIONS

“Acquisition”	the acquisition of a 100% equity interest in the Target Company by the Purchaser from the Vendors pursuant to the Share Transfer Agreement
“Board”	the board of Directors
“Century Urban”	Zhuhai Century Urban Estates Investment Limited (珠海世紀都市置業投資有限公司), a company incorporated in the PRC
“Company”	Multifield International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Consideration”	the consideration to be paid by the Purchaser to the Vendors for the Acquisition
“De Zheng”	Zhuhai Economic Special Zone De Zheng Group Limited (珠海經濟特區德正集團有限公司), a company incorporated in the PRC
“Directors”	the directors of the Company
“Final Construction Area”	the total construction area of the Site to be approved by the relevant PRC government departments upon completion of the demolition and removal work carried out at the Site
“Group”	the Company and its subsidiaries
“Guarantors”	Xu De Lai (許德來), Chen Xian (陳賢) and Li Zhe Yi (李志毅), all being PRC citizens
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	(an) independent third party(ies) not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong and the Macau Special Administrative Region and Taiwan

“Purchaser”	Kiuson Development (Shanghai) Ltd., a wholly-foreign owned enterprise registered under the PRC law and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share Transfer Agreement”	the share transfer agreement dated 11 June 2006 entered into between the Vendors, the Purchaser and the Guarantors
“Shares(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of the existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Site”	the land located to the north of Qian Shan Gang Qian Lu (前山港前路) and to the west of San Tai Shi Lu (三台石路) in Zhuhai, the PRC occupying an area of 36,808.77 square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhuhai Century West Sea Estates Investment Limited (珠海市世紀西海房地產投資有限公司), a limited liability company incorporated in the PRC on 12 March 2004, and is currently owned as to 55% by De Zheng and 45% by Century Urban
“Vendors”	De Zheng and Century Urban

As at the date of this announcement, the Board comprises Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi as executive Directors and Mr. Choy Tak Ho, Mr. Lee Siu Man, Ervin and Mr. Wong Yim Sum as independent non-executive Directors.

In this announcement, RMB has been converted to HK\$ at the rate of RMB1.04 = HK\$1 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

On behalf of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 12 June 2006