

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE COMPANY

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 28 May 2024, Highcode (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with THY Land and the JV Company. Pursuant to the Agreement, Highcode, being a shareholder holding 49% issued shares in the JV Company, has committed to provide financing (whether by way of loan, guarantee or otherwise) proportional to its shareholdings of up to RM78,400,000 (equivalent to approximately HK\$129,987,000) to the JV Company for its acquisition and development of the Lands.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the provision of Financial Assistance under the Agreement exceeds 5% but is less than 25% for the Company, the provision of Financial Assistance constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under the Chapter 14 of the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 28 May 2024, Highcode (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with THY Land and the JV Company.

As at the date of the Agreement, the total issued and paid up share capital of the JV Company was RM250,000 (equivalent to approximately HK\$415,000), Highcode and THY Land owns 122,500 and 127,500 shares, representing 49% and 51% of the total issued share capital respectively.

Pursuant to the Agreement, Highcode has committed to provide financing (whether by way of loan, guarantee or otherwise) proportional to its shareholdings of up to RM78,400,000 (equivalent to approximately HK\$129,987,000) to the JV Company for its acquisition and development of the Lands.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date: 28 May 2024

Parties:

- (i) Highcode
- (ii) THY Land
- (iii) the JV Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of THY Land and the JV Company and their ultimate beneficial owners are Independent Third Parties.

Initial shareholders' advance:

As of the date of the Agreement, Highcode and THY Land have advanced RM4,287,500 (equivalent to approximately HK\$7,109,000) and RM4,462,500 (equivalent to approximately HK\$7,399,000) respectively to the JV Company as shareholders' loan.

Scope of business:

The business of the JV Company shall involve acquiring and developing the Lands for residential purposes, marketing and selling the developed units and engaging in other related businesses as may from time to time be approved by the board of directors of the JV Company.

Capital commitment:

The maximum capital commitment by each of Highcode and THY Land to the JV Company including shareholders' advances, guarantees for external financing, additional equity contribution shall be proportional to their shareholdings, being RM78,400,000 (equivalent to approximately HK\$129,987,000) and RM81,600,000 (equivalent to approximately HK\$135,293,000) respectively (the "**Maximum Capital Commitment**").

The capital to be contributed by Highcode will be financed by internal resources of the Group, bank facilities or a combination of both.

The respective maximum capital contributions to the JV Company by Highcode and THY Land are determined after arm's length negotiations among the parties with reference to the capital requirements of the JV Company (in particular, the capital required for the acquisition and development costs of the Lands) and the parties' prorated interests in the JV Company.

Financing for the JV Company:

Further capital requirements of the JV Company exceeding its own resources from time to time will be met first by way of external financing facilities or loans to be obtained from banks and/or other licensed financial institutions, failing which, by way of shareholders' loans to be advanced by the JV Partners and/or their nominees proportional to the shareholdings of the JV Partners in the JV Company, subject to the Maximum Capital Commitment.

Board Meetings:

(a) *Board composition:*

The board of directors of the JV Company shall comprise a number of 5 directors, 2 of which shall be appointed by Highcode, 3 of which shall be appointed by THY Land.

(b) *Quorum and adjournment:*

The quorum of the board meetings is constituted by attendance of at least 3 directors with the requirement that 1 director must be from Highcode.

In the event the directors present do not meet the requisite quorum of a board meeting, the board meeting will be adjourned for 5 Business Days. During the adjourned meeting, a valid quorum can be formed by 2 directors, 1 representing Highcode.

(c) *Voting:*

Save for board reserved matters specified in the Agreement, any decision of the board shall only be carried if it has been passed by a simple majority of the directors.

In respect of board reserved matters specified in the Agreement, any decision of the board in relation thereto shall only be carried if it has been passed by all of the directors.

General Meetings:

(a) *Quorum and adjournment:*

The quorum of the general meetings is constituted by attendance of any 2 shareholders of the JV Company.

In the event the shareholders of the JV Company present do not meet the requisite quorum of a general meeting, the general meeting will be adjourned for 5 Business Days. During the adjourned meeting, a valid quorum shall be 2 shareholders.

(b) *Voting:*

Save for shareholders reserved matters specified in the Agreement, any decision of the shareholders of the JV Company shall only be carried if it has been passed by a simple majority of the shareholders of the JV Company.

In respect of shareholders reserved matters specified in the Agreement, any decision of the shareholders of the JV Company in relation thereto shall only be carried if it has been passed by all of the shareholders of the JV Company.

Dividend Policy:

After taking into consideration of the financial position of the JV Company and subject to the applicable laws, substantially the whole of the profits of the JV Company shall be distributed to the JV Partners according to their shareholdings in the JV Company.

Transfer of shareholding interest:

The shareholders of the JV Company shall be subject to certain transfer restrictions (including a right of first refusal and tag-along right) in a proposed transfer of equity interests in the JV Company on the terms set out in the Agreement.

No consideration is payable by Highcode for such rights and in all such cases, Highcode has the discretion on whether to acquire or dispose of (as the case may be) the shares in the JV Company. The Company will comply with the relevant Listing Rules on the exercise of such rights (where required).

Executive Committee:

(i) Establishment of the executive committee

As soon as practicable after the execution of the Agreement, the executive committee shall be established by the JV Partners to manage the business of the JV Company.

(ii) Appointment of representatives

The executive committee shall have 5 members. Highcode shall have the right to appoint 2 members and THY Land shall have the right to appoint 3 members.

(iii) Quorum

The quorum for any meeting of the executive committee is constituted by attendance of 3 members, with the requirement that at least 1 member must be from Highcode.

(iv) Voting

Any questions arising at any meeting of the executive committee shall be decided by at least a simple majority of the executive committee with at least 1 vote from a representative of Highcode.

Event of Default:

The occurrence of any of the following events shall be an event of default (the “**Event of Default**”):

- (a) A shareholder of the JV Company materially breaches the Agreement and fails to remedy it within 21 Business Days;
- (b) A shareholder of the JV Company is ordered to be liquidated;

- (c) Legal action is taken against the assets of a shareholder of the JV Company, and it is not resolved within 60 days;
- (d) A liquidator or similar officer is appointed for the assets of a shareholder of the JV Company, and it is not resolved within 60 days; or
- (e) A shareholder of the JV Company engages with its creditors regarding arrangements, compositions, or assignments for the benefit of its creditors.

EOD Options:

Upon the occurrence of an Event of Default, any shareholder of the JV Company not in default (“**Non-Defaulting Shareholder**”) may (but not obliged) give written notice (“**Default Notice**”) to a shareholder (“**Defaulting Shareholder**”), offering the Defaulting Shareholder the following options, which the Defaulting Shareholder may in its sole discretion elect (but not obliged) to choose:

- (a) sell all shares held by it in the JV Company to the Non-Defaulting Shareholder at 80% of the Prescribed Price; or
- (b) purchase all shares held by the Non-Defaulting Shareholder in the JV Company at 120% of the Prescribed Price.

(the options referred to in (a) and (b) above are collectively known as the “**EOD Options**”).

Unwinding Options:

In the event any one of the following events have occurred:–

1. the sale and purchase agreement for the Lands is not signed by the JV Company and the owner of the Lands for whatsoever reasons;
2. the conditions precedent to the sale and purchase agreement for the Lands are not fulfilled or waived within the stipulated time period; and/or
3. the sale and purchase agreement for the Lands is rescinded or terminated or the sale and purchase is not completed for whatsoever reasons,

then, the JV Partners authorize and procure the JV Company to obtain the refund of the Land Deposit and/or all other monies which the JV Company has paid towards the Land Consideration Sum under the sale and purchase agreement for the Lands and together with any interest (if applicable) in accordance with the terms of the sale and purchase agreement for the Lands.

The JV Partners shall, after the JV Company having repaid the shareholders' advances which Highcode and THY Land have extended to the JV Company, discuss in good faith to mutually decide on one of the following options:

- (a) the JV Partners shall join and co-operate in dissolving the JV Company and the costs of dissolution shall be borne by the JV Partners proportional to their shareholdings in the JV Company; or
- (b) if Highcode so chooses, it shall transfer all, and not part only, of its shares in the JV Company to THY Land or an affiliate of THY Land at the agreed consideration price of RM1.00 only for each ordinary share.

(the options referred to in (a) and (b) above are collectively known as the “**Unwinding Options**”).

If the JV Partners are unable to agree on either of the Unwinding Options within 60 days (or such other period as the JV Partners may agree) from the date of completion of the repayment of the shareholders' advances, then the default option shall be to proceed with the dissolution of the JV Company.

Deadlock Options:

A deadlock shall be deemed to have occurred if (i) a proposed resolution at a meeting of the board or the shareholders of the JV Company fails to be passed at 2 meetings, or (ii) a quorum cannot be achieved at 2 consecutive board or shareholders' meetings of the JV Company.

Either of the JV Partners (“**Server**”) shall be entitled to serve a written offer (“**Deadlock Offer**”) on the other party (“**Recipient**”), to offer to buy from the Recipient all the shares held by the Recipient in the JV Company. The Recipient shall have the options either to (a) accept the Deadlock Offer and sell all its shares in the JV Company to the Server; or (b) purchase all the shares held by the Server in the JV Company at the same price per share as stated in the Deadlock Offer (collectively the “**Deadlock Options**”). The price in the Deadlock Offer shall at least be the fair market value of such shares as may be advised by the auditors of the JV Company.

If the Recipient refuses, declines or fails to exercise either of the Deadlock Options, the dispute shall be heard in the courts of Malaysia.

INFORMATION OF THE LANDS

As of the date of the Agreement, the JV Company intends to enter into a sale and purchase agreement with the owner of the Lands, i.e. PNB Development Sdn. Berhad, a company incorporated in Malaysia for acquisition of the Lands at RM84,890,000 (equivalent to approximately HK\$140,748,000). According to the information available to the Company, the ultimate owner of PNB Development Sdn. Berhad is Yayasan Pelaburan Bumiputra (Bumiputra (Native) Investment Foundation), which is set up, owned and controlled by Federal Government of Malaysia. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, PNB Development Sdn. Berhad and Federal Government of Malaysia are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE AGREEMENT

The Group is principally engaged in property development and property investment.

The Board considers that the co-operation with THY Land under the Agreement presents a good opportunity to leverage on the Group's knowledge and expertise in property acquisition and project management and to partner with an experienced investor to expand its business. The co-operation will also enable the Group to expand its business to property development and to tap into a bigger pool of funds from THY Land to build a bigger portfolio of sizeable projects for the Group and further diversifying its business portfolio.

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder (including but not limited to the Financial Assistance) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of the terms of the Agreement were determined after arm's length negotiations among Highcode, THY Land and the JV Company.

INFORMATION OF THE COMPANY

The Company is incorporated in Bermuda with limited liability, it engages in property development, property investment, provision of serviced apartments and villas and property management services, trading of securities and investment holding. The Group also focuses on the business of property development which involves purchase of land and developing properties for lease and/or sale.

INFORMATION OF THY LAND

THY Land is a company incorporated in Malaysia, principally engaged in development of building projects for own operation, construction of buildings and real estate activities with own or leased property. According to the information available to the Company, the ultimate individual beneficial owners of THY Land are Hassan Bin Che Abas, Tan Kim Kuan and Yam Kong Choy, who own as to 60%, 20% and 20% respectively of the equity interests in THY Land.

INFORMATION OF THE JV COMPANY

The JV Company is a company incorporated in Malaysia on 12 September 2022, and has not yet carried on business. As of the date of the Agreement, the JV Company is owned as to 49% by Highcode and 51% by THY Land respectively, the ultimate beneficial owners of THY Land are set out in the sections headed "INFORMATION OF THY LAND" in this announcement.

The JV Company will not be a subsidiary of the Company, and its financial results will not be consolidated into the consolidated financial statements of the Company.

The financial information of the JV Company from the date of establishment to 31 January 2024 is set out below:

| | From the date of establishment to 31 January 2024 |
|-----------------|--|
| | <i>RM</i> |
| Revenue | – |
| Loss before tax | 411,634 |
| Loss after tax | 411,634 |

The net liabilities value of the JV Company as at 31 January 2024 was RM161,634 (equivalent to approximately HK\$268,000).

IMPLICATIONS UNDER THE LISTING RULES

As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the subscription for 122,500 shares by Highcode in the JV Company are less than 5%, such subscription does not amount to notifiable transaction for the Company and is not subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of financial assistance by advancing initial shareholders' advance of RM4,287,500 (equivalent to approximately HK\$7,109,000) to the JV Company by Highcode are less than 5%, such provision of financial assistance does not amount to notifiable transaction for the Company and is not subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the provision of Financial Assistance under the Agreement exceeds 5% but is less than 25% for the Company, the provision of Financial Assistance under the Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under the Chapter 14 of the Listing Rules.

The grant of the EOD Options, Deadlock Options and the Unwinding Options (collectively, the “**Options**”) would be treated as transactions and classified with reference to the percentage ratios pursuant to Rule 14.73 of the Listing Rules. The exercise of the Options is at the discretion of Highcode. According to Rule 14.75(1) of the Listing Rules, on the grant of such options, only the premium (which is nil) will be taken into consideration for calculating the percentage ratios and thus the grant of the Options does not constitute notifiable transactions under Chapter 14 of the Listing Rules. The Company will comply with the relevant Listing Rules on the exercise of the Options (where required).

DEFINITIONS

| | |
|--------------------------------|---|
| “Agreement” | the shareholders’ agreement regarding the JV Company dated 28 May 2024 and entered into among Highcode, THY Land and the JV Company; |
| “Board” | the board of Directors of the Company; |
| “Business Day” | any day on which commercial banks are open for business and excludes Saturday, Sunday and a gazetted public holiday in Wilayah Persekutuan, Kuala Lumpur, Malaysia; |
| “Company” | Multifield International Holdings Limited (萬事昌國際控股有限公司), a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (Stock Code: 898); |
| “Directors” | the director(s) of the Company; |
| “Financial Assistance” | the commitment of Highcode to provide financing (whether by way of loan, guarantee or otherwise) of a maximum of RM78,400,000 (equivalent to approximately HK\$129,987,000) to the JV company for its acquisition and development of the Lands; |
| “Group” | the Company and its subsidiaries; |
| “Highcode” | HIGHCODE SDN. BHD. (Company Registration No. 202101039265 (1439565-H)), a company incorporated in Malaysia and an indirect wholly-owned subsidiary of the Company; |
| “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)” | any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons; |
| “JV Company” | THY URBAN DEVELOPMENTS SDN. BHD. (Company Registration No.: 202201033849 (1479546-M)), a company incorporated in Malaysia; |
| “JV Partners” | collectively, Highcode and THY Land, and “JV Partner” means either one of them; |

| | |
|--------------------------|--|
| “Land Consideration Sum” | subject to such adjustment as may be permitted under the sale and purchase agreement for the Lands, the sum of RM84,890,000 (equivalent to approximately HK\$140,748,000), calculated at RM450 per square feet for 17,376.12 square meters, payable by the JV Company to the owner of the Lands; |
| “Land Deposit” | the sum of RM8,489,000 (equivalent to approximately HK\$14,075,000) equivalent to ten per cent (10%) of the Land Consideration Sum; |
| “Lands” | 2 parcels of freehold lands, with an aggregate area measuring approximately 17,376.12 square meters and held under the following title particulars: <ul style="list-style-type: none"> (1) Geran 25607, Lot 17, Seksyen 71, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 8,498.12 square meters; and (2) Geran 14977, Lot 332, Seksyen 71, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 8,878 square meters; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Prescribed Price” | the fair market value of the shares held by the outgoing JV Partner as determined by the auditors of the JV Company having taken into account the net asset value of the JV Company; |
| “RM” | Ringgit Malaysia, the lawful currency of Malaysia; |

| | |
|------------------|--|
| “Shareholder(s)” | holder(s) of the share(s) of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “THY Land” | THY LAND SDN. BHD. (Company Registration No.: 202301000432 (1494351-D)), a company incorporated in Malaysia; and |
| “%” | per cent. |

By Order of the Board of
Multifield International Holdings Limited
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 28 May 2024

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RM1.00 = HK\$1.6580 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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. Lo Mun Lam, Raymond, Mr. Lo Kam Cheung, Patrick and Mr. Tsui Ka Wah.