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If you have sold or transferred all your shares in Multifield International Holdings Limited, you should at once hand the Circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Multifield International Holdings Limited

(萬事昌國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

**DISCLOSEABLE AND CONNECTED TRANSACTION
INVOLVING ISSUARNCE OF SHARES**

MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

**Independent financial adviser to
the Independent Board Committee and the Shareholders of
Multifield International Holdings Limited**

Henco & Associates

Henco Capital Limited

A letter from the Independent Board Committee is set out on page 12 of this circular.

A letter from Henco, the independent financial adviser, containing its advice to the Independent Board Committee, containing its advice to the Independent Board Committee and the Shareholders is set out on pages 13 to 22 of this circular.

Notice convening the special general meeting of Multifield International Holdings Limited to be held at 8th Floor, Multifield House, 54 Wong Chuk Hang Road, Hong Kong on Friday, 17 September 2004 at 9:00 a.m. is set out on pages 27 and 28 of this circular. Whether or not you are able to attend and vote at the relevant special general meetings, please complete and return the relevant enclosed proxy forms in accordance with the instructions printed thereon and return the same to Multifield's branch share registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting. Completion and return of the relevant proxy forms will not preclude you from attending and voting in person at the special general meeting.

* For identification purpose only

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DEFINITIONS

In the Circular, the following expressions have the following meanings unless the context otherwise requires:

“Agreement”	the agreement dated 27 July 2004 made between Lucky Business and Ponting
“Board”	the executive and non-executive directors of Multifield
“Completion”	completion of the Agreement in accordance with its terms and conditions
“Consideration”	the consideration of HK\$40,914,685.00 to be satisfied by the allotment and issue of the Consideration Shares pursuant to the Agreement
“Consideration Shares”	179,844,769 Shares to be allotted and issued by Multifield as the Consideration
“Equity Interest”	the 42.50% equity interest currently held by Ponting in Triple Luck
“Group”	Multifield together with its subsidiaries
“Henco”	Henco Capital Limited, a corporation deemed licensed under the SFO to carry out type 6 regulated activity, which is not connected (for the purpose of the Listing Rules) with any of the directors, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associates, and the independent financial adviser to the Independent Board Committee and the Shareholders
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China and for the purpose of this circular excludes the Macau Special Administrative Region and Taiwan
“Independent Board Committee”	the independent board committee of the Company comprising Messrs Choy Tak Ho and Lee Siu Man, Ervin
“Latest Practicable Date”	23 August 2004, being the latest practicable date prior to the printing of this document for ascertaining certain information contained in this document
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Lucky Business”	Lucky Business International Limited, a company incorporated in the British Virgin Islands and is in the business of investment holding
“Multifield”	Multifield International Holdings Limited, the shares of which are listed and traded on the Stock Exchange
“Ponting”	Ponting Limited, a company incorporated with limited liability under the law of the British Virgin Islands
“Power Resources”	Power Resources Holdings Limited, a company incorporated with limited liability under the law of the British Virgin Islands
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of Multifield to be convened for the purpose of approving the Agreement and the transactions contemplated therein
“Shares”	the ordinary shares in the capital of Multifield of HK\$0.01 each, and each a “Share”
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Triple Luck”	Triple Luck Investments Ltd, a company incorporated in the British Virgin Islands with limited liability and is currently owned as to 57.50% by Lucky Business and 42.50% by Ponting



Multifield International Holdings Limited

(萬事昌國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

Executive Directors:

Lau Chi Yung, Kenneth (*Chairman*)

Lau Michael Kei Chi

Cho Po Hong, Jimmy

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Non-executive Directors:

Tong Wui Tung, Ronald

Tsang Pak Chung, Eddy

Independent Non-executive Directors:

Choy Tak Ho

Lee Siu Man, Ervin

25 August 2004

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
INVOLVING ISSUARNCE OF SHARES**

INTRODUCTION

The Board announced on 4 August 2004 that Multifield through Lucky Business, its wholly owned subsidiary, entered into a conditional Agreement with Ponting under which Lucky Business agreed to purchase from Ponting the Equity Interest in Triple Luck for a consideration of HK\$40,914,685.00 and will be satisfied by Lucky Business procuring Multifield to allot and issue of 179,844,769 fully paid Shares to Ponting on Completion Date at HK\$0.2275 per Share

Lucky Business and Ponting are currently holding 57.50% and 42.50% respectively equity interest in Triple Luck, an investment holding company holding principally Multifield Plaza.

Upon completion of the Agreement, Triple Luck will become an indirect wholly owned subsidiary of Multifield with the consolidated net asset value of the Group will increase by approximately HK\$40,914,685.00 whilst there will be no impact on the earnings.

* For identification purpose only

LETTER FROM THE BOARD

The purchase of the Equity Interest is conditional and is subject to conditions set out under “Conditions of the purchase of the Equity Interest” below.

Having consideration the reasons set out under “Reasons for the Proposed Purchase of the Equity Interest” below, the Board is of the view that the terms and conditions of the purchase of the Equity Interest Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

Ponting is currently holding 42.50% equity interest in Triple Luck while the remaining interest of 57.50% is held by Lucky Business. Accordingly, Ponting is a substantial shareholder of Triple Luck, currently a non-wholly owned subsidiary of Multifield. The transaction contemplated by the Agreement therefore constitutes a connected transaction of Multifield under the Listing Rules.

Based on the five size tests performed, the percentage ratios under the market capitalization and total assets test exceeded 5% but less than 25% as disclosed in the Multifield’s latest published audited accounts for the year ended 31 December 2003. Accordingly, the Agreement constitutes a discloseable transaction under the Listing Rules.

As each of the percentage ratios under the equity capital, market capitalisation and asset tests performed exceeded 2.5% and the total consideration exceeded HK\$10,000,000.00, the transaction contemplated by the Agreement would also subject to independent shareholders’ approval by poll at the SGM under the Listing Rules.

Power Resources, the trustee of the Power Resources Discretionary Trust, a family discretionary trust the discretionary objects of which include Mr. Lau Chi Yung, Kenneth and his family, is the controlling shareholder of Multifield currently holding 58.18% of issued share capital of Multifield. Save as the shareholder of Multifield, Power Resources is not interested in the Agreement or any transactions as contemplated under the Agreement. Power Resources and the discretionary objects of the Power Resources Discretionary Trust do not have any connection with Ponting nor its ultimate beneficial owners. No Shareholder, including Power Resources, is required to abstain from voting.

The Independent Board Committee has been set up to advise the Shareholders on the terms of the Agreement and the transactions contemplated therein. Henco has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders. The recommendation of the Independent Board Committee and the letter of advice from Henco are also included in this circular.

The purpose of this circular is to give you further information on the proposed purchase of the Equity Interest, to set out the letter of advice from Henco to the Independent Board Committee and the Shareholders, and the recommendation of the Independent Board Committee in respect of the proposed purchase of the Equity Interest as well as to give you notice of the SGM at which the ordinary resolution will be proposed to approve the proposed purchase of the Equity Interest.

LETTER FROM THE BOARD

THE AGREEMENT DATED 27 JULY 2004

1. Parties to the Agreement

- a. Lucky Business
- b. Ponting

Consideration

The authorized share capital of Multifield as at the date of this circular is HK\$500,000,000.00 divided in 50,000,000,000 shares of HK\$0.01 each. Pursuant to the Agreement, Lucky Business agreed to satisfy the consideration of HK\$40,914,685.00 for the Equity Interest by procuring Multifield to allot and issue 179,844,769 fully paid Shares to Ponting, as Ponting may direct, at the value of HK\$0.2275 per Share on Completion Date as mutually agreed by parties to the Agreement on arm's length negotiation with reference to the audited net asset value of the Triple Luck group of HK\$96,269,849.00 as at 31 December 2003. After bona fide negotiation, the parties to the Agreement agreed that the Consideration Shares would be allotted and issued to Trademaster Investments Limited, a wholly owned subsidiary of Ponting. There is no restriction on any subsequent sale of the Consideration Shares.

The directors of Multifield consider that the satisfaction of the consideration for the acquisition of the Equity Interest by allotment of shares of Multifield facilitates its maintenance of its cashflow position.

Neither Ponting nor its ultimate beneficial owner currently beneficially holds any interest in Multifield. Apart from Ponting's shareholding in Triple Luck, Ponting and its ultimate beneficial owner are not connected persons (as defined in the Listing Rules) to the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

The Consideration Shares represent approximately 4.50% of the existing issued share capital of Multifield and approximately 4.30% of the issued share capital of Multifield as enlarged by the issue and allotment of the Consideration Shares. Ponting shall on completion of the Agreement own approximately 4.30% of the enlarged issued share capital of Multifield. The Consideration Shares upon issue and allotment will rank pari passu in all respect with the issued Shares including as to dividends and voting rights. To the best knowledge of the directors of Multifield, apart from Ponting's shareholding in Triple Luck, Ponting and its ultimate beneficial owner are not connected persons (as defined in the Listing Rules) to the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

LETTER FROM THE BOARD

The effect of the issue of the Consideration Shares on the shareholding structure of Multifield is as follows:

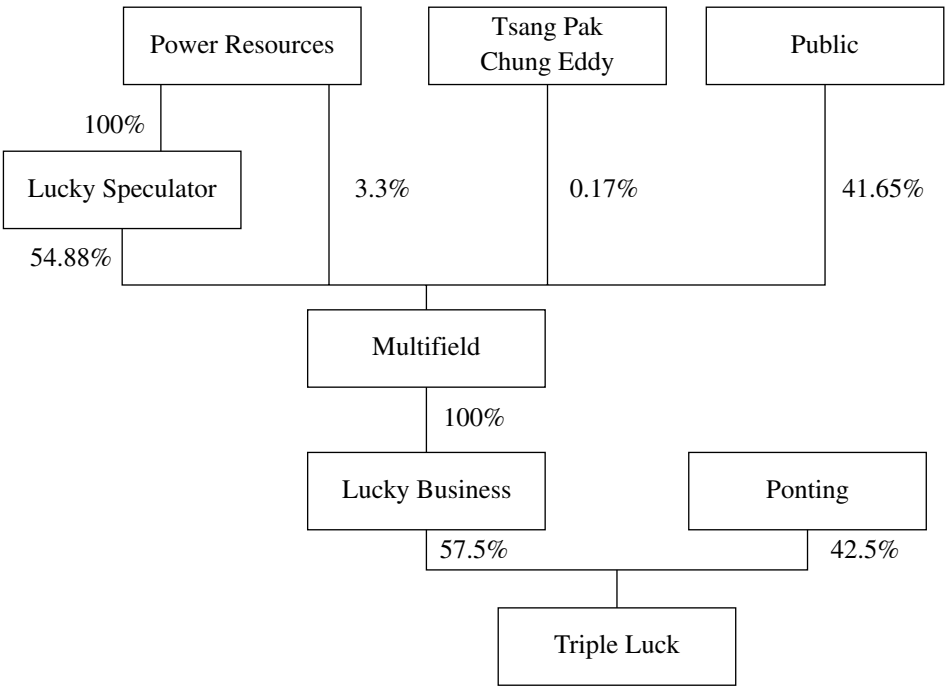
	As at the Latest Practicable Date		Upon Completion	
	Shares	%	Shares	%
Power Resources (Note 1)	2,327,424,000	58.18%	2,327,424,000	55.68%
Lucky Speculator (Note 1)	2,195,424,000	54.88%	2,195,424,000	52.52%
Tsang Pak Chung Eddy (Note 2)	6,842,880	0.17%	6,842,880	0.16%
Ponting	0	0%	179,844,769	4.30%
Public	1,666,259,443	41.65%	1,666,259,443	39.86%
Total	<u>4,000,526,323</u>	<u>100%</u>	<u>4,180,371,092</u>	<u>100%</u>

Note 1: Power Resources is beneficially owned by Mr. Lau Chi Yung Kenneth, executive director and Chairman of Multifield. Power Resources was deemed to have a beneficial interest in 2,327,424,000 ordinary shares of Multifield by virtue of its indirect interests through Lucky Speculator and a wholly-owned subsidiary which held shares in Multifield.

Note 2: Mr. Tsang Pak Chung Eddy is a non executive director of the Multifield

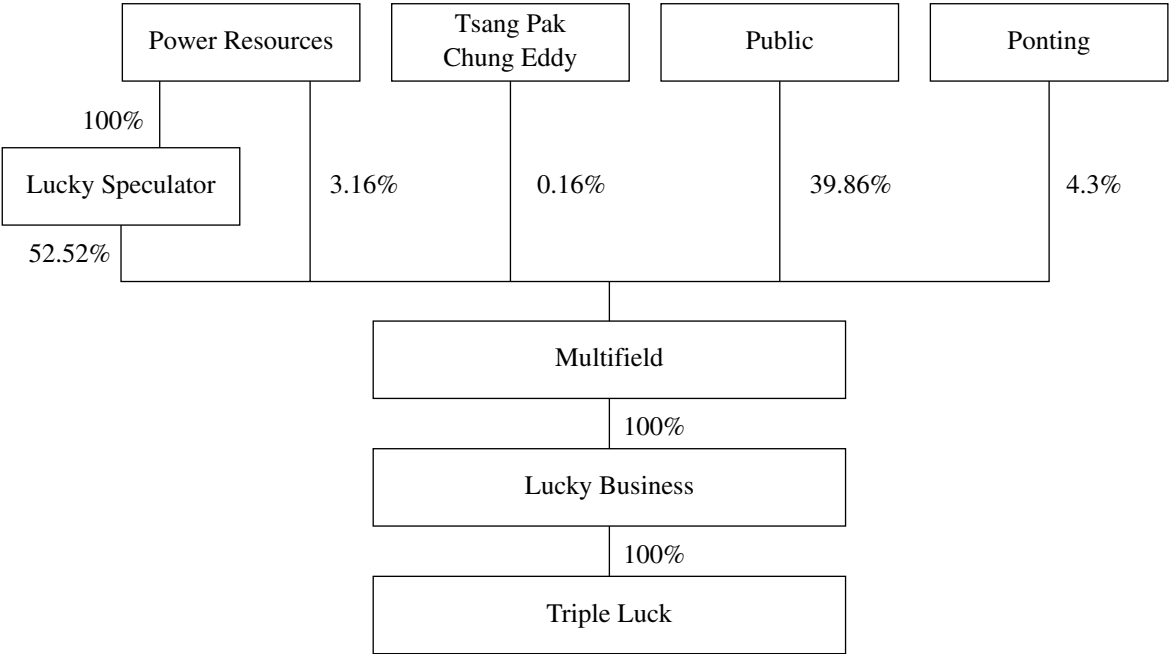
A simplified shareholding chart illustrating the shareholding of Multifield before and after the issue of the Consideration Shares is as follows:

Before the issue of the Consideration Shares



LETTER FROM THE BOARD

After the issue of the Consideration Shares



Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Completion

The obligation of Lucky Business to purchase the Equity Interest under the Agreement is conditional upon the fulfillment of the following conditions precedent:

- (a) the passing by the independent shareholders of Multifield in general meeting of an ordinary resolution by poll approving the Agreement and the transactions contemplated therein (including issue of the Consideration Shares); and
- (b) the Stock Exchange granting the listing of and permission to deal in the Consideration Shares, subject only to the allotment and issue of the Consideration Shares.

Completion shall take place on the business day (other than Saturday) following the date on which the last condition precedent to the Agreement is fulfilled or such other time determined by Lucky Business.

The Board (including the independent non-executive directors) of Multifield considers the terms and conditions of the Agreement are fair and reasonable and are in the interests of Multifield insofar as the independent shareholders of Multifield are concerned and are on normal commercial terms.

LETTER FROM THE BOARD

CONSIDERATION SHARES

The Consideration Shares, when issued, will rank *pari passu* in all respects with the existing issued Shares of Multifield.

The Consideration Shares represent about 4.50% of the existing issued share capital of Multifield and about 4.30% of the issued share capital of Multifield as enlarged by the issue of the Consideration Shares.

Based on the closing price of HK\$0.125 per Share as quoted by the Stock Exchange on 27 July 2004, being the date of the Agreement, the total value of the Consideration Shares is HK\$22,480,596.00. Based on the closing price of HK\$0.093 per Share as quoted by the Stock Exchange on the Latest Practicable Date, the total value of the Consideration Shares is HK\$16,725,563.51.

The issue price represents a premium of about 82% and 144.62% respectively to the closing price of HK\$0.125 per Share as quoted by the Stock Exchange on 27 July 2004 and on the Latest Practicable Date and a premium of 75.80% and 144.62% to the average closing price of HK\$0.1294 and HK\$0.093 per Share as quoted by the Stock Exchange for the five trading days up to and including 27 July 2004 and the Latest Practicable Date.

Under the Agreement, there is no restriction on the subsequent sale of the Considerations Shares. It is the intention of Ponting and Trademaster Investments Limited to hold the Consideration Shares as long term investment.

INFORMATION ON TRIPLE LUCK

Triple Luck is a company incorporated in the British Virgin Islands with limited liability and is currently owned as to 57.50% by Lucky Business and 42.50% by Ponting. It is an investment holding company holding 8 floors and unit 701 in Multifield Plaza and unit 7B in Rose Mansion. The audited net profit of the Triple Luck group for the financial year ended 31 December 2002 before and after tax amounted to HK\$2,332,625.00 and HK\$659,846.00 respectively and for the financial year ended 31 December 2003 before and after tax amounted to HK\$4,008,219.00 and HK\$3,219,200.00 respectively whilst the audited net asset value for the financial years ended 31 December 2002 and 2003 of the Triple Luck group amounted to HK\$93,050,641.00 and HK\$96,269,849.00 respectively. The rental income received by the Triple Luck group for the years 2002 and 2003 amounted to HK\$12,344,756.00 and HK\$11,671,338.00 respectively.

INFORMATION ON LUCKY BUSINESS

Lucky Business is a limited liability company incorporated under the laws of the British Virgin Islands and is a wholly owned subsidiary of Multifield. It is an investment holding company and its only asset is the 57.50% interest in Triple Luck.

LETTER FROM THE BOARD

INFORMATION ON PONTING

Ponting is a limited liability company incorporated under the laws of the British Virgin Islands. It engages in the business of investment holding of the 42.50% interests in Triple Luck the original cost of which is HK\$119,786,675.00 as at 31 December 2003.

REASONS FOR THE PROPOSED PURCHASE OF THE EQUITY INTEREST

The principal activity of Multifield is investment holding while its subsidiaries are engaged in the business of investment holding, provision of property management services, property investment, property lending, metal trading, vessel holding, provision of property agency services, provision of consultancy services, trading of electronic products and manufacture of electronic components. Prior to the completion of Agreement, the Group holds 57.50% interests in Triple Luck, a company formed on 13 August 1996 by Multifield by subscribing 28,750 shares of US\$1.00 each at the price of US\$28,750.00 (equivalent to approximately HK\$224,250.00) and Ponting at that same time subscribing 21,250 shares of US\$1.00 each (representing 42.50% interest in Triple Luck) at the price of US\$21,250.00 (equivalent to approximately HK\$165,750.00). Triple Luck through its wholly owned subsidiaries owns 8 floors and unit 701 in Multifield Plaza, a block of commercial building located in Tsimshatsui, Kowloon and unit 7B in Rose Mansion, a block of residential building located in Tsimshatsui, Kowloon being its only assets. The open market valuation of those interests held by Triple Luck in Multifield Plaza and Rose Mansion as at 31 December 2003 are reflected in the consolidated audited accounts of Multifield made up to 31 December 2003 at HK\$288,000,000.00 and HK\$1,400,000.00 respectively. Upon completion of the Agreement, Triple Luck will become a wholly owned subsidiary of Multifield and thereby enhancing the completeness of ownership by Multifield of Multifield Plaza.

The directors of Multifield believe that with full control over Triple Luck, the asset base of Multifield would be enhanced and will further enhance the core business of Multifield. The directors of Multifield consider that the acquisition of the remaining interest in Triple Luck to be fair and reasonable because the Group, through the acquisition of the equity interest, will enhance efficiency of Company's overall management control and to allow the completeness of ownership of Multifield on Multifield Plaza. By improving the management control of Multifield Plaza, the directors believes that it will be able to implement new marketing strategy to further enhance rental revenue. The directors of Multifield also expect that the rental income contributed by Triple Luck group will enhance the revenue stream for the Group in the future.

The directors of Multifield are not aware of any material adverse change in the financial trading position or contingent liabilities of the Group since 31 December 2003, being the date to which the latest published audited financial statements of Multifield were made up.

DISCLOSEABLE AND CONNECTED TRANSACTION

Ponting is currently holding 42.50% equity interest in Triple Luck while the remaining interest of 57.50% is held by Lucky Business. Accordingly, Ponting is a substantial shareholder of Triple Luck, currently a non-wholly owned subsidiary of Multifield. The transaction contemplated by the Agreement therefore constitutes a connected transaction of Multifield under the Listing Rules.

LETTER FROM THE BOARD

Based on the five size tests performed, the percentage ratios under the market capitalization and total assets test exceeded 5% but less than 25% as disclosed in the Multifield's latest published audited accounts for the year ended 31 December 2003. Accordingly, the Agreement constitutes a discloseable transaction under the Listing Rules.

As each of the percentage ratios under the equity capital, market capitalization and asset tests performed exceeded 2.5% and the total consideration exceeded HK\$10,000,000.00, the transaction contemplated by the Agreement would also subject to independent shareholders' approval by poll at the SGM under the Listing Rules.

Power Resources, the trustee of the Power Resources Discretionary Trust, a family discretionary trust the discretionary objects of which include Mr. Lau Chi Yung, Kenneth and his family, is the controlling shareholder of Multifield currently holding 58.18% of issued share capital of Multifield. Power Resources and the discretionary objects of the Power Resources Discretionary Trust do not have any connection with Ponting nor its ultimate beneficial owners. Save as the shareholder of Multifield, Power Resources is not interested in the Agreement or any transactions as contemplated under the Agreement. No shareholder, including Power Resources, is required to abstain from voting. Power Resources has indicated that it intended to vote in favour of the resolution approving the transactions contemplated by the Agreement at the SGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Messrs. Choy Tak Ho and Lee Siu Man Ervin, both being the independent non-executive directors, has been formed for the purpose of advising the Shareholders on the terms of the Agreement and the transactions contemplated therein. Henco has been appointed as independent financial adviser to advise the Independent Board Committee and the Shareholders on the same.

THE SPECIAL GENERAL MEETING

Notices convening the SGM to be held on Friday, 17 September 2004 at 9:00 a.m. at 8th Floor, Multifield House, 54 Wong Chuk Hang Road, Hong Kong is set out on pages 27 and 28 of this circular.

There is enclosed a form of proxy for use at the SGM. Whether or not the Shareholders intend to be present at SGM, they are requested to complete the forms of proxy and return them to the office of Multifield's branch share registrars, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding of the SGM. Completion and delivery of the forms of proxy will not prevent the Shareholders from attending, and voting at the SGM if they so wish.

Pursuant to the Bye-laws, a poll may be demanded in relation to any resolution put to the vote of the SGM (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll):

- (a) by the chairman of the meeting; or

LETTER FROM THE BOARD

- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person by a duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by an Shareholder or Shareholders present in person by a duly authorised representative or by proxy and holding shares in Multifield conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee containing its recommendation to the Shareholders in respect of the proposed Shares purchase and the transactions contemplated therein as set out on page 12 of this circular; and (ii) the letter of advice from Henco containing its advice to the Independent Board Committee and the Shareholders in respect of the terms of the proposed purchase of the Equity Interest and the transactions contemplated therein as well as the principal factors and reasons taken into account in arriving at its advice as set out on pages 13 to 22 of this circular.

The Independent Board Committee has considered the terms of the proposed purchase of the Equity Interest and the transactions contemplated therein as well as the advice given by Henco and is of the opinion that the proposed purchase of the Equity Interest and the transactions contemplated therein are in the interests of Multifield and the Shareholders as a whole and that the terms of the Agreement and the transactions contemplated therein, as a whole, are fair and reasonable so far as the Shareholders are concerned. Accordingly, the Board and the Independent Board Committee recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in respect of the Agreement and the transactions contemplated therein.

ADDITIONAL INFORMATION

Your attention is also drawn to the respective recommendation and advice given by the Independent Board Committee and the letter of advice from Henco as well as the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Lau Chi Yung, Kenneth
Chairman

In this circular, the exchange rate of US\$1.00 to HK\$7.80 have been used for illustration purpose only.



Multifield International Holdings Limited

(萬事昌國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

8th Floor, Multifield House
54 Wong Chuk Hang Road
Hong Kong

25 August 2004

To the Shareholders

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION
INVOLVING ISSURANCE OF SHARES**

We refer to the circular dated 25 August 2004 (the “Circular”) issued by Multifield of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board to be the members of the Independent Board Committee for the purpose of considering the terms of the Agreement and the transactions contemplated therein, details of which are set out in the text of the letter from the Board as set out on pages 3 to 11 of the Circular.

We wish to draw your attention to the letter of advice from Henco as set out on pages 13 to 22 of the Circular which contains, inter alia, its advice to us as regards the terms of the Agreement and the transactions contemplated therein together with the principal factors and reasons for its advice.

Having taken into account the letter of advice from Henco, we consider that the proposed purchase of the Equity Interest and the transactions contemplated therein are fair and reasonable and are in the interests of Multifield and the Shareholders as a whole and that the terms of the Agreement and the transactions contemplated therein, as a whole. Accordingly, we recommend the Shareholders to vote in favour of the ordinary resolution approving the proposed purchase of the Equity Interest and the transactions contemplated therein at the SGM.

Yours faithfully,

For and on behalf of

The Independent Board Committee

Choy Tak Ho

Lee Siu Man Ervin

Independent Non-executive Directors

* For identification purpose only

LETTER OF ADVICE FROM HENCO

The following is the text of a letter of advice from Henco to the Independent Board Committee and the Shareholders in respect of the terms of the Agreement, and is prepared for inclusion in this document.

Henco & Associates

Henco Capital Limited

*Suite 2313, Jardine House
1 Connaught Place, Central
Hong Kong*

25 August 2004

To the Independent Board Committee
and the Shareholders of
Multifield International Holdings Limited

Dear Sir or Madam,

CONNECTED TRANSACTION

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Shareholders in respect of the terms of the connected transaction contemplated under the Agreement, details of which are set out in this document, of which this letter forms a part. Unless the context otherwise requires, terms used in this letter have the same meanings as those defined in this document. We recommend the Independent Board Committee and the Shareholders to read this document carefully before they decide whether the terms of the Agreement are fair and reasonable.

On 4 August 2004, the Board announced that Multifield, through Lucky Business, its wholly-owned subsidiary, entered into a conditional Agreement with Ponting on 27 July 2004 in relation to the acquisition of the Equity Interest by Multifield from Ponting. Details of the Agreement are, among other things, further described on page 3 to page 11 of this document. Ponting is currently a substantial shareholder holding 42.50% equity interest in Triple Luck, a non-wholly owned subsidiary of Multifield. The entering into of the Agreement, therefore, constitutes connected transaction for Multifield under Chapter 14A of the Listing Rules. Accordingly, the connected transaction contemplated under the Agreement is subject to the approval by poll of the Shareholders at the SGM.

LETTER OF ADVICE FROM HENCO

Mr. Lau Chi Yung, Kenneth is the chairman and an executive director of Multifield holding a corporate interest in 2,327,424,000 Shares, which represents approximately 58.18% of the total issued share capital of Multifield. Mr. Lau Michael Kei Chi and Mr. Cho Po Hong, Jimmy are executive directors and salaried employees of Multifield. Mr. Tsang Pak Chung, Eddy and Mr. Tong Wui Tung, Ronald are non-executive directors and Mr. Tsang Pak Chung Eddy has declared that he has a personal interest in 6,842,880 Shares, which represents approximately 0.17% of the total issued share capital of Multifield. Therefore, none of the above mentioned directors of Multifield is considered sufficiently independent for the purpose of advising the Shareholders in respect of the Agreement. Accordingly, the Independent Board Committee, comprising Mr. Choy Tak Ho and Mr. Lee Siu Man, Ervin who have declared that they do not have a conflict of interest in the Agreement or any transactions as contemplated under the Agreement, has been established to advise the Shareholders as to the fairness and reasonableness of the terms of the Agreement.

Power Resources, the trustee of the Power Resources Discretionary Trust, a family discretionary trust the discretionary objects of which include Mr. Lau Chi Yung, Kenneth and his family, is currently the controlling Shareholder holding 58.18% of the issued share capital of Multifield. Multifield confirmed that no Shareholder, including Power Resources, Mr. Lau Chi Yung, Kenneth, the chairman and an executive director of Multifield, and Mr. Tsang Pak Chung, Eddy, the non-executive director of Multifield, is interested in the Agreement or any transactions as contemplated under the Agreement. Moreover, Power Resources and the discretionary objects of the Power Resources Discretionary Trust do not have any connection with Ponting nor its ultimate beneficial owners. Therefore, no Shareholder is required to abstain from voting on the ordinary resolution in respect of the terms of the Agreement at the SGM.

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in this document and information provided to us by Multifield and its director(s). We have assumed that all statements and representations made or referred to in this document were true at the time they were made and continue to be true at the date of the SGM. We have also assumed that all statements of belief, opinion and intention made by the director(s) of Multifield in this document were reasonably made after due enquiry.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the director(s) of Multifield and have been confirmed by the directors of Multifield that no material facts and representations the omission of which would make any statement in this document, including this letter, misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the director(s) and management of Multifield. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in this document and to provide a reasonable basis for our recommendation regarding the terms of the Agreement.

II. PRINCIPAL FACTORS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Shareholders in respect of the terms of the Agreement, we have taken into consideration the following factors and reasons:

1. Reasons for entering into the Agreement

The Group is principally engaged in the business of investment holding, provision of property management services, property investment, property lending, metal trading, vessel holding, provision of property agency services, provision of consultancy services, trading of electronic products and manufacturing of electronic components. For its property investment business, the Group generally targets to invest in commercial properties near core business districts in Hong Kong and luxury service apartments in the PRC.

Based on Multifield's published 2003 annual results for the financial year ended 31 December 2003, the audited consolidated net profit before taxation of Multifield increased by 56.62% to approximately HK\$80.4 million as compared to approximately HK\$51.3 million in the financial year 2002, while the audited consolidated net profit after taxation and minority interests of Multifield increased by 78.58% to approximately HK\$54.7 million as compared to approximately HK\$30.6 million in the corresponding period in 2002.

The Group's turnover has been growing since the financial year ended 31 December 2002. As shown in Multifield's published 2003 annual results, the turnover of the Group for the financial year ended 31 December 2003 was approximately HK\$334.3 million, representing an increase of about 228.05% as compared with the total turnover for the year 2002. The directors of Multifield advised that the strong performance of the Group was mainly attributed to the satisfactory rental return from the Hong Kong property portfolio, even despite a poor sluggish market sentiment prevailing in Hong Kong in the first half of 2003, and the pleasing rental income derived from the new service apartments project in Shanghai.

We also note that the Group has been able to maintain high occupancy rate for its property portfolio in various regions such as Hong Kong and Shanghai. The Group's service apartment chain in Shanghai has continued to contribute a strong return on investment for the last eight years with occupancy rate consistently maintained at close to 90%. The occupancy rate for a new prime residential development project of the Group in Shanghai known as "Windsor Place" was reported as 100% for the year 2003. It was also reported that for the financial year 2003, the Group was capable of maintaining an overall occupancy rate of close to 85% for its Hong Kong portfolio despite the poor sentiment in the Hong Kong property market in the first half of 2003.

As reported in an article published in the website of Hong Kong Trade Development Council on 16 January 2004, Jones Lang LaSalle Inc. holds a positive outlook for Hong Kong's office sector and forecasts that there will be 25% to 30% growth in rentals of office space. The directors of Multifield believe that the recent recovery of the Hong Kong property market is tangible and sustainable as the public confidence is returning and local economy is approaching to a tangible recovery with an apparent improvement in real GDP and unemployment rate. We are also advised that the Group is also positive about the long term prospects of the Hong Kong property market and is always searching for appropriate investment opportunities which can enhance the Shareholders' value.

LETTER OF ADVICE FROM HENCO

Prior to the Completion, the Group holds 57.50% interests in Triple Luck, which is currently a non-wholly owned subsidiary of Multifield, holding its only assets including 8 floors and unit 701 in Multifield Plaza, a block of commercial building located in Tsimshatsui, Kowloon, and unit 7B in Rose Mansion, a block of residential building located in Tsimshatsui, Kowloon. Based on unaudited information provided by Multifield, the occupancy rate for the units in Multifield Plaza held by Triple Luck was around 80% whereas the occupancy rate for the unit 7B in Rose Mansion was reported as 100% as at the date of the Agreement. The valuation of those interests held by Triple Luck in Multifield Plaza and Rose Mansion are reflected in the consolidated audited accounts of Multifield made up to 31 December 2003 at market value of HK\$288.0 million and HK\$1.4 million respectively. For the two financial years ended 31 December 2003, Triple Luck group recorded total audited rental income amounted to HK\$12.3 million and HK\$11.7 million respectively, representing 13.54% and 9.24% of the Group's total rental income for the respective year. The directors of Multifield advise us that the Group intends, through the acquisition of the Equity Interest, to enhance the facilitation and efficiency of Company's overall management control and to allow the completeness of ownership of Multifield on Multifield Plaza, as well as to improve the asset base and the principal business of property investment of the Group. By improving the management control of Multifield Plaza, the directors of Multifield believe that it will be able to implement new marketing strategy to further enhance rental revenue. The directors of Multifield also expect that the rental income contributed by Triple Luck group will enhance the revenue stream for the Group in the future.

Having considered the above, we consider that the acquisition of the Equity Interest is in line with the principal business of the Group and, we concur with the view of the directors of Multifield that the acquisition of the Equity Interest will allow Multifield to improve its management control and efficiency on Multifield Plaza and to further enhance its property investment portfolio as well as the asset base of the Group. On such basis, we are of the view that the entering into of the Agreement is in the interest of Multifield and the Shareholders as a whole.

2. Terms of the Agreement

Details of the principal terms of the Agreement are set out in the letter from the Board in this document.

Principal terms of the Agreement

(a) Basis of determining the Consideration

The aggregate consideration of the Agreement is HK\$40,914,685, which is arrived at based on the audited net asset value of the Equity Interest with reference to the audited net asset value of Triple Luck group of HK\$96,269,849 as at 31 December 2003. The Consideration will be satisfied by the allotment and issue of 179,844,769 Consideration Shares to Trademaster Investments Limited, a wholly owned subsidiary of Ponting, at the issue price of HK\$0.2275 per Consideration Share upon Completion. The directors of Multifield consider that the Consideration was arrived at arm's length negotiations between the parties to the Agreement.

LETTER OF ADVICE FROM HENCO

The valuation of the interests held by Triple Luck in Multifield Plaza and Rose Mansion are reflected in the consolidated audited accounts of Triple Luck made up to 31 December 2003 at market value of HK\$288.0 million and HK\$1.4 million respectively. And accordingly, We consider that the determination of the amount of the Consideration for the Agreement based on the audited net asset value of Triple Luck group as at 31 December 2003, which has reflected the market value of the properties to be acquired, and the audited net asset value of the Equity Interest as fair and reasonable.

(b) *Issue of Consideration Shares*

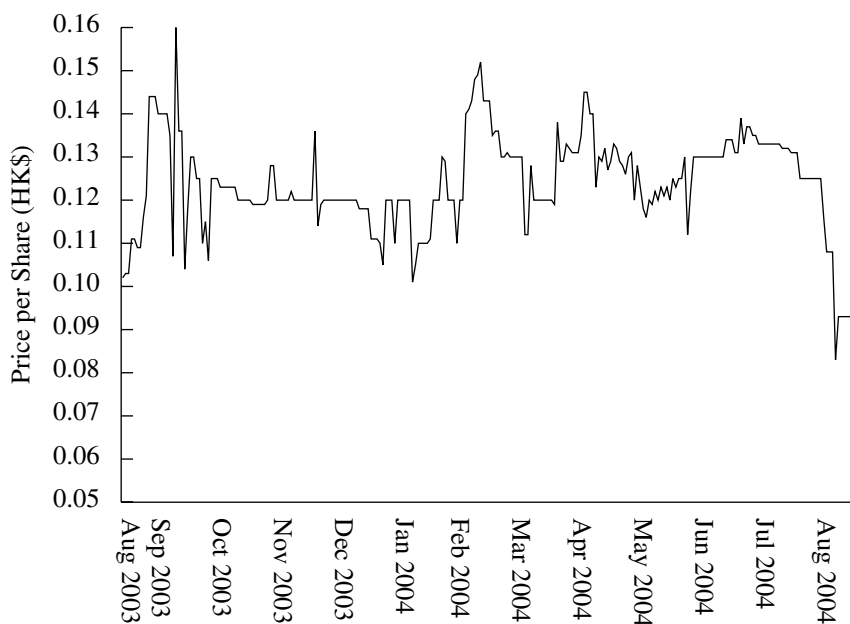
Since the Consideration will be settled by the issue of the Consideration Shares, the Agreement will have no immediate impact on the cash flow of the Group. We concur with the view of the directors of Multifield that, despite the acceptable dilution effect on the shareholding of the existing Shareholders upon Completion as discussed in the paragraph headed “Dilution of shareholding of the Shareholders” under the section “Effects of the Agreement” in this letter, the satisfaction of the consideration for the acquisition of the Equity Interest by allotment of Consideration Shares will facilitate its maintenance of strong cashflow position of the Group.

The directors of Multifield advised us that the issue price of HK\$0.2275 per Consideration Share was agreed by the parties to the Agreement with reference to the closing price of HK\$0.152 per Share on 18 February 2004. The directors of Multifield further advised that the issue price of HK\$0.2275 per Consideration Share, representing a premium of approximately 49.67% over the closing price of HK\$0.152 per Share on 18 February 2004, was determined by arm’s length negotiation with the parties to the Agreement and was their respective commercial decisions. We are of the view that the substantial premium of the issue price over such reference price per Share is in the interest of Multifield and the Shareholders as a whole.

LETTER OF ADVICE FROM HENCO

(i) Analysis of the issue price with respect to market price per Share

The price chart below shows the movement of historical closing prices per Share traded on the Stock Exchange since 22 August 2003 to the Latest Practicable Date.



The Shares had been traded in the price range between HK\$0.083 and HK\$0.170 per Share in the period between 22 August 2003 and the Latest Practicable Date. The issue price of HK\$0.2275 per Consideration Share is, therefore, at a substantial premium over the trading prices of the Shares in the past twelve-month period.

LETTER OF ADVICE FROM HENCO

The following table summaries the price per Share information of Multifield and the premium that the issue price of HK\$ 0.2275 per Consideration Share represents thereof:

	Share price (HK\$ per Share)	Premium (%)
Closing price per Share as at the Latest Practicable Date	0.093	144.62
Closing price per Share on 27 July 2004, being the last trading day immediately prior to the suspension of trading in Shares on the Stock Exchange	0.125	82.00
Average closing price per Share over the last 5 trading days up to and including 27 July 2004	0.130	75.00
Average closing price per Share over the last 10 trading days up to and including 27 July 2004	0.131	73.66
Average closing price per Share over the last 30 trading days up to and including 27 July 2004	0.133	71.05
Average closing price per Share over the last 90 trading days up to and including 27 July 2004	0.129	76.36

When compared to the 5-day, 10-day, 30-day and 90-day average closing prices per Share, the issue price of HK\$0.2275 per Consideration Share respectively represents significant premium of not less than 71.05%. The issue price of HK\$0.2275 per Consideration Share also represents a substantial premium of 144.62% when compared to the closing price per Share as at the Latest Practicable Date.

(ii) Analysis of the issue price with respect to net asset value per Share

As given in the 2003 annual report of Multifield for the year ended 31 December 2003, the audited consolidated net asset value of Multifield was approximately HK\$0.1793 per Share as at 31 December 2003 on the basis of 4,000,526,323 Shares currently in issue. Accordingly, the issue price of HK\$0.2275 per Consideration Share represents a premium of about 26.88% over the audited consolidated net asset value of Multifield as at 31 December 2003 prior to the completion of the Agreement.

Taking into account the above factors, particularly the significant premium of the issue price over the historical trading prices per Share and the audited consolidated net asset value per Share, we are of the view that the Consideration is fair and reasonable and the issue price per Consideration Share is in the interest of Multifield and the Shareholders as a whole.

3. Effects of the Agreement

Effect on net asset value

As stated in the published 2003 annual result of the Group, the audited consolidated net asset value of the Group was about HK\$717.23 million as at 31 December 2003, representing a consolidated net asset value of approximately HK\$0.1793 per Share on the basis of 4,000,526,323 Shares in issue during 2003. In the view that the aggregate consideration of the Agreement is HK\$40,914,685, which is arrived at based on the audited net asset value of the Equity Interest with reference to the audited net asset value of Triple Luck group of HK\$96,269,849 as at 31 December 2003, and that will be fully satisfied by the allotment and issue of 179,844,769 Consideration Shares to Trademaster Investments Limited, a wholly owned subsidiary of Ponting, at the issue price of HK\$0.2275 per Consideration Share upon Completion, the consolidated net asset value of the Group will increase by approximately HK\$40,914,685 immediately upon the issue of the Consideration Shares, which represents a consolidated net asset value per Share of approximately HK\$0.1814 on the basis of 4,180,371,092 Shares in issue pursuant to the issue of the Consideration Shares. The enhancement on the net asset value per Share pursuant to the issue of the Consideration Shares represents an increment of 1.17% as compared with the current consolidated net asset value of approximately HK\$0.1793 per Share. We consider such enhancement on the net asset value per Share as a result of the completion of the Agreement and upon the issue in full of the Consideration Shares is in the interest of the Shareholders.

Effect on earnings

As disclosed in the published 2003 annual report of Multifield, the basic earnings per Share was HK\$1.37 cents on the basis of the net profit from ordinary activities attributable to Shareholders of approximately HK\$54.7 million and the weighted average of 4,000,526,323 Shares in issue during the year.

Based on our discussion with the management of Multifield and the audited consolidated financial accounts of Triple Luck group, we understand that Triple Luck has been a subsidiary of the Group and has maintained a stable revenue stream for the Group since 1996. For the two financial years ended 31 December 2003, rental income of Triple Luck group was reported as HK\$12.3 million and HK\$11.7 million respectively, representing 13.54% and 9.24% of the Group's total rental income for the respective year. Triple Luck group has also recorded audited consolidated net profit after taxation of approximately HK\$660,000 and HK\$3.2 million for the financial year ended 31 December 2002 and 2003 respectively. The relatively lower audited net profit after taxation of Triple Luck for the financial year ended 31 December 2002 was mainly due to the heavy bad debt provision made in regard to the default of rental payment by a tenant of Multifield Plaza in the year 2002.

LETTER OF ADVICE FROM HENCO

Upon Completion, Triple Luck will become a wholly-owned subsidiary of Multifield. In light of the recent recovery of the Hong Kong property market, the directors of Multifield expect that Triple Luck group will enhance the revenue stream for the Group pursuant to the acquisition of the Equity Interest. We concur with the view of the directors of Multifield that the acquisition of the complete control on Triple Luck will strengthen the Group's management position of the properties and further improve the overall operating efficiency in managing the properties. As such, we are of the opinion that the gain of complete control on Triple Luck would enhance the profit-generating potential of the Group.

Effect on working capital

Since the Consideration will be settled by the issue of the Consideration Shares, the Agreement will have no immediate impact on the cash flow of the Group.

We note from the 2003 annual report of Multifield for the financial year ended 31 December 2003, the Group had an audited cash position of approximately HK\$138.5 million and a net current assets of approximately HK\$175.3 million. The satisfaction of the Consideration by the allotment of the Consideration Shares will facilitate the maintenance of the strong cashflow position of the Group and so allow the Group to enjoy flexibility in making any future investment should suitable opportunities arise. As at the Latest Practicable Date, no specific investment opportunity have been identified. The directors of Multifield confirm that there will not be any subsequent investment obligation pursuant to the acquisition of the Equity Interest. As such, we consider that the acquisition of the Equity Interest will not exert undue pressure, barring unforeseen circumstances, on the working capital of the Group.

Dilution of shareholding of the Shareholders

We have reviewed the existing shareholding structure and the shareholding structure immediately upon the issue of the Consideration Shares at the issue price of HK\$0.2275 per Consideration Share upon Completion:

	As at the Latest Practicable Date		Immediately upon Completion	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Power Resources	2,327,424,000	58.18	2,327,424,000	55.68
Tsang Pak Chung, Eddy	6,842,880	0.17	6,842,880	0.16
Ponting	—	—	179,844,769	4.30
Public	<u>1,666,259,443</u>	<u>41.65</u>	<u>1,666,259,443</u>	<u>39.86</u>
Total	<u>4,000,526,323</u>	<u>100.00</u>	<u>4,180,371,092</u>	<u>100.00</u>

LETTER OF ADVICE FROM HENCO

Shareholders should note that, immediately upon completion of the Agreement, the issue of the Consideration Shares upon Completion will result in a dilution in the shareholding of the existing Shareholders by about 4.30%. That is, the percentage shareholding of Power Resources, Mr. Tsang Pak Chung Eddy and public Shareholders will be diluted to approximately 55.68%, 0.16% and 39.86%, respectively, immediately upon the issue of the Consideration Shares. Moreover, Shareholders should also note that there is no restriction on any subsequent sale of the Consideration Shares according to the terms and conditions set out in the Agreement.

It should be noted that there is an enhancement on the underlying asset value represented by the Shares held by the Shareholders resulting from the positive effect of the Agreement on the net asset value per Share. Meanwhile, there is no negative impact on the cash position of the Group which will enable Multifield to maintain a strong financial position for capturing future possible investment opportunities pursuant to the Completion. In addition, gaining full control of Triple Luck would improve the operational and financial management efficiency of Multifield Plaza upon Completion and in turn may enhance the overall profitability of the Group. Having considered the above benefits, we are of the opinion that the issue of the Consideration Shares is an appropriate method to finance the acquisition of the Equity Interest and accordingly, the dilution effect of about 4.30% is acceptable. On such basis, we consider that the Agreement is in the interest of Multifield and the Shareholders as a whole.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we consider that the terms of the connected transaction contemplated under the Agreement are fair and reasonable and are in the interest of Multifield so far as the Shareholders as a whole are concerned. Accordingly, we recommend the Shareholders to vote in favor of the ordinary resolution to be proposed at the SGM to approve the Agreement.

Yours faithfully,
For and on behalf of
Henco Capital Limited
Chien Hoe Yong
Director

RESONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The directors of Multifield collectively and individually accept responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DIRECTORS’ INTERESTS OR SHORT POSITOINS IN SHARES AND OPTIONS

As at the Latest Practicable Date, the interests and short positions of the directors and chief executives of Multifield in the Shares, underlying shares and debentures of Multifield and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to Multifield and the Stock Exchange pursuant to Section 352 of the SFO to be entered in the register referred to therein; or which are required to be notified to Multifield and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name of Director	Nature of interest	Number of shares
Mr. Lau Chi Yung, Kenneth	Corporate	<u>2,327,424,000</u>

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

Mr. Lau Chi Yung, Kenneth indirectly controlled more than one-third of the issued share capital of Multifield and accordingly he is deemed to have interests in the share capital or registered capital of the subsidiaries and associates of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of other directors or chief executives of Multifield had any interests and short positions in the Shares, underlying shares or debentures of Multifield or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to Multifield and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director is taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which is required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to Multifield and the Stock Exchange.

Save as disclosed in the section headed “Service contract” below, none of the directors of Multifield was materially interested in any contract or arrangement entered into by any member of the Group since 31 December 2003, being the date of Multifield’s latest published audited accounts and which was significant in relation to the business of the Group.

Save as disclosed herein, none of the directors of Multifield nor expert named under the section headed “Expert” is interested, directly or indirectly, in any assets which had since 31 December 2003 (being the date to which the latest published audited financial statements of Multifield were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the directors or chief executive of Multifield, the person (other than a director or chief executive of Multifield) who had an interest or short position in the shares and underlying shares of Multifield which would fall to be disclosed to Multifield under the provisions of Divisions 2 and 3 of Part XV of the SFO was:

	Number of shares held
Power Resources Holdings Limited	2,327,424,000
Lucky Speculator Limited	<u>2,195,424,000</u>

Power Resources Holdings Limited was deemed to have a beneficial interest in 2,195,424,000 ordinary shares of Multifield by virtue of its indirect interests through Lucky Speculator Limited and a wholly-owned subsidiary which held shares in Multifield.

All the interests stated above represent long positions. As at the Latest Practicable Date, no short

Save as disclosed herein, the directors and the chief executive of Multifield are not aware of any person (other than a director or the chief executive of Multifield or a member of the Group) who had an interest or short position in the shares and underlying shares of Multifield which would fall to be disclosed to Multifield under the provisions of Divisions 2 and 3 of Part XV of SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any options in respect of such capital as at the Latest Practicable Date.

MATERIAL CHANGE

The directors of Multifield are not aware of any material adverse change in the financial trading position or contingent liabilities of the Group since 31 December 2003, being the date to which the latest published audited financial statements of Multifield were made up.

LITIGATION

So far as the directors of Multifield are aware, neither Multifield nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the directors of Multifield to be pending or threatened by or against Multifield or any of its subsidiaries.

SERVICE CONTRACT

As at the Latest Practicable Date, there is no service contract between any directors or proposed directors of Multifield and members of the Group which does not expire or its not determinable by the employer within one year without payment of compensation other than statutory compensation.

COMPETING INTEREST

None of the directors of Multifield and his/her associates is interested directly or indirectly in a business, apart from his/her interest in Multifield, which competes or is likely to compete with the business of the Group.

EXPERT

The following are the qualifications of the professional adviser whose opinions or advice are contained in this circular.

Henco	A deemed licensed corporation to carry out type 6 regulated activity under the SFO
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Henco does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

CONSENT

Henco has given and have not withdrawn their respective written consent to the issue of this circular with the inclusion of their respective letters and/or reports and/or references to their names, as the case may be, in the form and context in which they respectively appear.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business in Hong Kong of Multifield at 8th Floor, Multifield House, 54 Wong Chuk Hang Road, Hong Kong, up to and including 8 September 2004:

- (a) the memorandum of association and bye-laws of Multifield;
- (b) the Agreement;
- (c) the letter from the Independent Board Committee, the text of which is set out on page 12 of this circular;
- (d) the letter of advice from Henco to the Independent Board Committee dated 25 August 2004, the text of which is set out on pages 13 to 22 of this circular;
- (e) the written consent of Henco as referred to under the section headed “Expert” above.

MISCELLANEOUS

- (a) The principal banker of Multifield is Bank of China (Hong Kong) Limited, whose address is at Bank of China Tower, 1 Garden Road, Hong Kong.
- (b) The authorized representatives of Multifield are Mr. Lau Chi Yung, Kenneth, Chairman and Executive Director, and Mr. Poon Chun Shing Edwin, company secretary.
- (c) The solicitors of Multifield in Hong Kong to advise on Hong Kong law is Messrs. Cheung Tong & Rosa of Rooms 1621-33 Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.
- (d) The secretary of Multifield is Mr. Poon Chun Shing, Edwin, a member of the Hong Kong Society of Accountants, the Australian Society of CPA and the Institute of Chartered Secretaries and Administrators.
- (e) The registered office of Multifield is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its head office and principal place of business in Hong Kong is at 8th Floor, Multifield House, 54 Wong Chuk Hang Road, Hong Kong.
- (f) The share registrar and transfer office of Multifield in Hong Kong is Tengis Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (g) The English text of this circular and the forms of proxy shall prevail over the Chinese text.



Multifield International Holdings Limited

(萬事昌國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

NOTICE IS HEREBY GIVEN that the Special General Meeting of Multifield International Holdings Limited (the “Company”) will be held at 8th Floor, Multifield House, 54 Wong Chuk Hang Road, Hong Kong on Friday, 17 September 2004 at 9:00 a.m. (or an adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution:

As Ordinary Resolution of Multifield:

“THAT

- (i) the agreement dated 27 July 2004 (the “Agreement”) and entered into between Lucky Business, a wholly owned subsidiary of Multifield as purchaser and Ponting as vendor for the acquisition of 42.50% interest in the registered capital of Triple Luck by Lucky Business, a copy of which has been produced to the meeting marked “A” and has been signed by the chairman of the meeting for the purpose of identification, be and are hereby confirmed, ratified and approved;
- (ii) any one director of Multifield be and is hereby authorized on behalf of Multifield:
 - (a) to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as he may in his discretion consider necessary or desirable for the purpose of or in connection with the implementation of and giving effect to the Agreement and the transactions contemplated therein;
 - (b) to complete the transactions contemplated in the Agreement with such changes as such director of Multifield may consider necessary, desirable and expedient; and
 - (c) to affix, and witness the affixing of, the Common Seal of Multifield to the Agreement and all such other documents where required for and on behalf of Multifield as he in his absolute discretion deems fit in connection with the transactions contemplated therein; and

* For identification purpose only

NOTICE OF SGM

(iii) the Directors be and are hereby authorized to allot and issue 179,844,769 new ordinary shares of HK\$0.01 each of Multifield (the “Consideration Shares”) as the consideration shares to the Vendor pursuant to the terms of the Agreement, which Consideration Shares shall not be deemed to be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of Multifield held on 30 June 2004, and shall rank *pari passu* in all respects with the existing shares in the capital of Multifield.”

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

Hong Kong, 25 August 2004

Registered office:

Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal place of business in Hong Kong:

8th Floor, Multifield House,
54 Wong Chuk Hang Road
Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of Multifield is entitled to appoint another person as his proxy to attend and, vote instead of him. A proxy need not be a member of Multifield.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at Multifield’s branch share registrar in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the meeting or any adjournment(s) thereof.
3. Where there are joint holders of a share of Multifield, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he was solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of Multifield in respect of such share shall alone be entitled to vote in respect thereof.
4. As at the date hereof, the executive directors are Lau Chi Yung, Kenneth (Chairman), Lau Michael Kei Chi and Cho Po Hong, Jimmy and the non-executive directors are Tong Wui Tung, Ronald and Tsang Pak Chung, Eddy. The independent non-executive directors are Choy Tak Ho and Lee Siu Man, Ervin.



Multifield International Holdings Limited

(萬事昌國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

FORM OF PROXY

Special General Meeting — 17 September 2004 (or at any adjournment thereof)

I/We^(Note 1) _____
of _____
being the registered holder(s) of^(Note 2) _____ shares of HK\$0.01 each in the capital
of Multifield International Holdings Limited (the “Company”), hereby appoint^(Note 3) _____
of _____
or the Chairman of the Meeting as my/our proxy to attend for me/us at the Special General Meeting of the Company, to be
held at 8th Floor, Multifield House, 54 Wong Chuk Hang Road, Hong Kong on Friday, 17 September 2004 at 9:00 a.m. and
at any adjournment thereof and to vote for me/our behalf as directed below:

	FOR ^(Note 4)	AGAINST ^(Note 4)
ORDINARY RESOLUTION		
1. To consider and approve the Agreement and the transactions as contemplated therein.		

Date this _____ day of _____ 2004

Signature(s) _____

Shareholder

Notes:

- Full name(s) and address to be inserted in **BLOCK CAPITALS**.
- Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
- A proxy need not be a member of the Company. A shareholder is entitled to appoint a proxy to attend and, in the event of a poll, vote in his stead. If such an appointment is made, you may delete the words “or the Chairman of the Meeting” and insert the name and address of the person appointed as proxy in the space provided. ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON(S) WHO SIGN(S) IT.
- PLEASE INDICATE WITH A “√” in the appropriate space beside each item how you wish the proxy to vote on your behalf on a poll. If this form is returned duly signed, but without any such indication, the proxy will vote or abstain at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
- This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its common seal or under the hand of an officer or attorney duly authorised.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy or by representative, will be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority is determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- In order to be valid, this form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Company’s Branch Share Registrar in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time for holding the Meeting or any adjourned Meeting.
- Completion and delivery of the form of proxy will not preclude you from attending and voting at the Special General Meeting if you so wish.

* For identification purposes only.