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If you are in any doubt as to any aspect of this document or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Grand Field Group Holdings Limited, you should at once hand this document to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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GRAND FIELD GROUP HOLDINGS LIMITED

鈞濠集團有限公司*

(Incorporated in Bermuda with limited liability)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF INTEREST IN SINO RICHEST**

A notice convening a Special General Meeting (“SGM”) of Grand Field Group Holdings Limited to be held at Hotel Miramar Hong Kong, Miramar Function Room I, Basement 2, 118-130 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on 1st August, 2002 at 11:00 a.m. is set out on pages 19 to 20 to this circular. A form of proxy relating to the SGM is also enclosed. Whether or not you are able to attend the meeting in person and vote at the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereof and return it to the principal place of business of the Company in Hong Kong at Room 1201, Righteous Centre, 585 Nathan Road, Kowloon, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjourned meeting should you so wish.

* *For identification only*

8th July, 2002

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DEFINITIONS

In this document, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	Acquisition of interest in Sino Richest
“Board”	The board of Directors
“Company”	Grand Field Group Holdings Limited
“Completion”	Completion of the S&P Agreement
“Consideration”	HK\$63,000,000
“Consideration Shares”	An aggregate of 315,000,000 ordinary shares of HK\$0.02 each in the ordinary share capital of the Company
“Directors”	Directors of the Company
“Group”	The Company and its subsidiaries
“Latest Practicable Date”	5th July, 2002, being the latest practicable date prior to the printing of this document for ascertaining certain information in this document
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Logistic China”	Logistic China Enterprises Limited, a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Zeng Qing Chun
“Madam Kwok”	Madam Kwok Wai Man, Nancy, the Director
“Mr. Tsang”	Mr. Tsang Wai Lun, Wayland, the Chairman of the Company
“Mr. Wong”	Mr. Wong Chi Keung, Ivan
“PRC”	The People’s Republic of China
“Rhenfield Development”	Rhenfield Development Corporation, a company incorporated in the British Virgin Islands with limited liability and owned by Mr. Tsang and Madam Kwok in equal share

DEFINITIONS

“SGM”	Special General Meeting
“Share(s)”	Ordinary share(s) of HK\$0.02 each in the capital of the Company
“Shareholders”	holders of Shares
“S&P Agreement”	A conditional sale and purchase agreement dated 30th May, 2002 in relation to the acquisition of a 75% equity interest in Sino Richest by the Purchaser from the Vendors
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Worldgate Developments”	Worldgate Developments Limited, a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Lin Xian Guo
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	Per cent.

LETTER FROM THE BOARD



GRAND FIELD GROUP HOLDINGS LIMITED

鈞濠集團有限公司*

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. Tsang Wai Lun, Wayland (*Chairman*)
Madam Kwok Wai Man, Nancy
Mr. Lau Tam Wah
Mr. Zen Qing Sheng

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Hui Pui Wai, Kimber
Mr. Ho Kwong Yue, Sidney

Principal office:

Room 1201
Righteous Centre
585 Nathan Road
Kowloon
Hong Kong

8th July, 2002

*To the Shareholders and
for information only, holders of Warrants*

Dear Sir/Madam

**DISCLOSEABLE TRANSACTION
ACQUISITION OF INTEREST IN SINO RICHEST**

INTRODUCTION

The Board announced on 4th June, 2002 that the Group entered into a S&P Agreement with the Vendors to purchase 75% interest in Sino Richest.

The Directors consider that the Acquisitions are in the interest of the Company and that the terms of the Agreement are fair and reasonable so far as the Shareholders are concerned.

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to give the Shareholders further information regarding the Acquisition together with the notice of SGM at which the necessary resolution will be put forward for the Shareholders' approval.

* For identification only

LETTER FROM THE BOARD

S&P AGREEMENT

Date: 30th May, 2002

Vendors: (i) Worldgate Developments, (ii) Logistic China, and (iii) Mr. Wong. Each of the Vendors and the ultimate beneficial owner of Worldgate Developments (Mr. Lin Xian Guo) and Logistic China (Mr. Zeng Qing Chun) is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

Purchaser: Chintex Oil & Gas Company Limited, a wholly-owned subsidiary of the Company.

Warrantor: The Company

Pursuant to the S&P Agreement, Worldgate Developments, Logistic China and Mr. Wong conditionally agreed to sell and the Purchaser conditionally agreed to purchase 30%, 30% and 15% equity interest respectively in Sino Richest for the Consideration.

The remaining 25% equity interest in Sino Richest after Completion is held by Worldgate Developments. Currently, the Company has no plan to acquire this remaining 25%.

BASIS OF CONSIDERATION

Upon Completion, the Consideration shall be paid by the Company by way of issuing 315,000,000 new Shares to the Vendors credited as fully paid on completion.

The aggregate consideration for the Consideration Shares of HK\$63 million is arrived at after arm's length negotiations between the Company and Vendors with reference to the valuation of Chongqing JV prepared by an independent firm of professional valuers. In accordance with the valuation report dated 30th May, 2002, the fair market value of Chongqing JV as at 16th May, 2002 was HK\$106 million. The fair market value as defined by the valuer is the estimated equivalent cash amount that a business enterprise might be expected to be exchanged between a willing seller and a willing buyer, neither being under compulsion, each having reasonable knowledge of all relevant facts, with the seller and buyer contemplating retention of the interest for the continuation of current business operations unless the break-up of the business or the sale of its assets would yield greater investment returns. The fair market value of HK\$106 million in this preliminary appraisal is the total invested capital, net of the value of debts and interest on shareholders' loan, if any, but including shareholders' loan, if any, and is equivalent to the shareholders' equity plus shareholders' loans.

LETTER FROM THE BOARD

CONSIDERATION SHARES

The issue price of the Consideration Shares of HK\$0.2 each represents a premium of (i) approximately 30.7% to the average closing price of the Shares as quoted by the Stock Exchange for the last 10 trading days prior to the date of the S&P Agreement of HK\$0.153 each; (ii) approximately 33.3% to the closing price of HK\$0.15 of the Shares on 30th May, 2002, being the date of the S&P Agreement; and (iii) approximately 92.3% to the closing price of HK\$0.104 on the Latest Practicable Date.

The total Shares in issue is 1,731,650,000 shares. The 315,000,000 Consideration Shares to be issued under this transaction represent (i) approximately 18.2% of the total Shares in issue and (ii) approximately 15.4% of the issued share capital of the Company as enlarged by the issue of the 315,000,000 Consideration Shares of this transaction.

The 315,000,000 Consideration Shares shall be issued to Worldgate Developments, Logistic China and Mr. Wong by 126,000,000 Shares, 126,000,000 Shares and 63,000,000 Shares respectively. This represents (i) approximately 7.3%, 7.3% and 3.6% total Shares in issue seeking Shareholders' approval; and (ii) approximately 6.2%, 6.2% and 3.1% of the issued share capital of the Company as enlarged by the issue of the 315,000,000 Consideration Shares of this transaction.

The Consideration Shares will rank *pari passu* with the then existing Shares in issue and the holders of such Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of issue of such Shares.

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

CONTROLLING SHAREHOLDERS' INTEREST IN THE COMPANY

The aggregate shareholding of Rhenfield Development, Mr. Tsang and Madam Kwok will be diluted from 44.02% to 37.25% upon Completion.

INFORMATION ON SINO RICHEST

Sino Richest Limited ("Sino Richest") is a limited liability company incorporated on 3rd May, 2002 in Hong Kong and is owned by Worldgate Developments, Logistic China, and Mr. Wong as to 55%, 30% and 15% respectively. Based on the unaudited management accounts for the period from 3rd May, 2002 to 30th May, 2002, the unaudited loss of Sino Richest was HK\$8,380. As at 30th May 2002, the unaudited net liabilities of Sino Richest was HK\$18,380. No audited accounts of Sino Richest have been prepared since its incorporation.

LETTER FROM THE BOARD

Sino Richest had entered into a joint venture agreement with 重慶煤焦化燃氣有限公司 on 25th May, 2002 to establish a sino-foreign equity joint venture 重慶市溢億萬盛燃氣有限公司 (“Chongqing JV”) to develop and construct gas pipeline business initially in Chongqing only.

INFORMATION ON CHONGQING JV

Chongqing JV is a sino-foreign equity joint venture to be established with registered capital of HK\$30 million which is the total investment amount committed to be invested by the two parties. It will be owned as to 20% by 重慶市煤焦化燃氣有限公司 and 80% as to Sino Richest. The contributions by 重慶市煤焦化燃氣有限公司 and Sino Richest are HK\$6 million and HK\$24 million respectively.

The approved scope of business of the Chongqing JV includes development and construction of main piping network and ancillary works for fueling gas, application promotion and research development of new technology such as city pipeline air-liquefying enforcing vaporization technique and the technology development, production and sales of fueling gas equipment and appliances.

The Chongqing JV aims at investing in the development of fueling gas infrastructure in cities in the southwestern part of China including those provinces of Sichuan, Guizhou, Yunnan and Guangxi, etc.

The Chongqing JV expects, in the short run, to establish a customer base of 200,000 households and to complete a network of main fueling gas pipeline with a total length of 20,000 metres. The market will cover mainly Wan Sheng District of Chongqing on the fact that the Chinese partner of the Chongqing JV is the only fueling gas supplier in this area. The market coverage is expected to expand to include other administrative jurisdictions of Chongqing in the coming one to two years and attempt to expand the market to Guiyang City and other region in Guizhou Province in the next three to five years.

The medium term target of the Chongqing JV is to develop a customer base of 500,000 households in the future five years; whereas the long term target is to expand the market coverage to include Yunnan Province and Guangxi Province attaining a customer base of over one million households in the future ten years.

During the initial stage of business development, the Chongqing JV will target to capture domestic households in the urban areas to expand its customer base. In the light of the fact that the industrial sector will consume greater capacity in fueling gas supply, the Chongqing JV will be keen to absorb users from the industrial and commercial sectors in the later stages.

LETTER FROM THE BOARD

CONDITIONS

Completion of the S&P Agreement is conditional upon:

1. establishing Chongqing JV (the Chongqing JV was established on 10th June, 2002);
2. obtaining all the necessary approvals and licences from relevant governmental and other authorities necessary for the conduct of gas supply business;
3. obtaining valuation report certifying that the valuation of Chongqing JV is not less than HK\$95 million (The valuation by B.I. Appraisals Limited stated that the fair market value as at 16th May, 2002 was reasonably stated at HK\$106 million. A copy of the valuation report is reproduced as Appendix I to this circular);
4. obtaining approval from shareholders of the Company in relation to this acquisition;
5. obtaining approval of issue of new shares in accordance with Hong Kong Companies Ordinance and Companies Act of Bermuda; and
6. the Stock Exchange granting the approval of listing of and permission to deal in the Consideration Shares.

REASONS FOR THE ACQUISITION

The Directors believe that the acquisition presents an excellent opportunity for the Group to diversify its existing businesses into natural gas business in the PRC. The Directors have no intention to change its principal business. In view of the PRC government policy of encouraging the use of natural gas to lessen environmental pollution problems, the market potential of the Chongqing JV is very encouraging.

Main stream of income of the Chongqing JV could include:

1. Pipe connection fee (according to the target price set by the Wan Sheng District Price Bureau, installation charge of RMB2,250 to each unit may be charged);
2. Gas consumption of each unit; and
3. Sale of gas stove.

The Directors consider the terms of the Subscription are fair and reasonable and in the best interests of the Group.

LETTER FROM THE BOARD

GENERAL

The Company is principally engaged in the properties investment and development in the PRC. The acquisition of Sino Richest will provide an opportunity for the Company to diversify its existing business.

The expertise and technicians of this project will be provided by重慶市煤焦化燃氣有限公司.

SGM

The transaction contemplated under the Acquisition constitutes a share transaction for the Company under the Listing Rules. Application will be made to the Stock Exchange for the approval of listing of and permission to deal in the Consideration Shares.

Set out on pages 19 to 20 of this circular is a notice convening the SGM which will be held on 1st August, 2002 at 11:00 a.m. at Hotel Miramar Hong Kong, Miramar Function Room I, Basement 2, 118-130 Nathan Road, Tsimshatsui, Kowloon, Hong Kong at which resolutions will be proposed to approve the issue of the Consideration Shares.

There is a form of proxy for use at the SGM accompanying this circular. Whether or not the Shareholders intend to attend the meeting, they are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it as soon as possible to the Company's principal office at Room 1201, Righteous Centre, 585 Nathan Road, Kowloon, Hong Kong, and in any event not later than 48 hours before the time appointed for the holding of the SGM. Delivery of a form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjourned meeting should they so desire.

RECOMMENDATIONS

The Directors consider that the S&P Agreement and the issue of the Consideration Shares are in the interests of the Company and the Shareholders as a whole and accordingly recommends the Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this document.

Yours faithfully
For and on behalf of the Board of
Grand Field Group Holdings Limited
Tsang Wai Lun, Wayland
Chairman

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from B.I. Appraisals Limited, an independent valuer, in connection with their valuation as at 16th May, 2002 of the interest in the business Enterprise.

B.I. Appraisals

Registered Professional Surveyors, Valuers & Property Consultants
(formerly Brooke International Appraisals Limited)

30th May, 2002

The Board of Directors
Grand Field Group Holdings Limited
Room 1201-1204, 12th Floor
Righteous Centre
585 Nathan Road
Kowloon

Dear Sirs,

In accordance with the instructions from Grand Field Group Holdings Limited (hereinafter referred to as the “Company”), we have carried out an appraisal of the fair market value of the 100 per cent. equity interest in the business enterprise of 重慶市溢億萬盛燃氣有限公司 (hereinafter referred to as the “Enterprise”), which is a Sino-foreign joint venture enterprise incorporated in the People’s Republic of China (the “PRC”). It is our understanding that the appraisal will be used in connection with a possible acquisition of the shares and interest in the Enterprise.

This report identifies the subject appraised, describes the basis and methodology of our appraisal, investigation and analysis, assumptions and limiting conditions, and presents our conclusion of value.

We confirm that we have made relevant enquiries and obtained such further information, as we consider necessary for the purpose of providing you with our opinion of the fair market value of the 100 per cent. equity interest of the Enterprise as at 16th May, 2002 (hereinafter referred to as the “date of appraisal”).

THE ENTERPRISE

We have been provided with a business plan (hereinafter referred to as the “Business Plan”) containing a 3-year cash flow projection for the Enterprise, and unless otherwise stated, all our descriptions regarding the Enterprise are based on this Business Plan and our relevant discussions with the management of the Business Enterprise.

The Enterprise, by obtaining a Business Licence (Registration No. 企合渝總字第004189) issued by 重慶市工商行政管理局 (Chongqing Municipal Industry and Commerce Administration Bureau), was established on 10th June, 2002 as a Sino-foreign joint venture enterprise between 重慶市萬盛煤焦化燃氣有限公司 and Sino Richest Limited. The Enterprise is headquartered in Chongqing and has the following corporate and shareholding structure as at 16th May, 2002:

Shareholders	Equity Interest
重慶市萬盛煤焦化燃氣有限公司	20 per cent.
Sino Richest Limited	80 per cent.

The joint venture agreement for the Enterprise is for a period of 30 years from 10th June, 2002. Both the registered capital and the total investment amount are limited to HK\$30,000,000. Upon expiry or early termination of the joint venture, all assets of the Enterprise are to be distributed according to the respective shareholdings of the joint venture partners in the Enterprise.

The approved scope of business of the Enterprise includes development and construction of main piping network and ancillary works for fueling gas, application promotion and research development of new technology such as city pipeline air-liquefying enforcing vaporization technique and the technology development, production and sales of fueling gas equipment and appliances.

The Enterprise aims at investing in the development of fueling gas infrastructure in cities in the southwestern part of China including those provinces of Sichuan, Guizhou, Yunnan and Guangxi, etc.

The Enterprise expects, in the short run, to establish a customer base of 200,000 households and to complete a network of main fueling gas pipeline with a total length of 20,000 metres. The market will cover mainly Wansheng District of Chongqing on the fact that the Chinese partner of the Enterprise is the only fueling gas supplier in this area. The market coverage is expected to expand to include other administrative jurisdictions of Chongqing in the coming one to two years and attempt to expand the market to Guiyang City and other region in Guizhou Province in the next three to five years.

The medium term target of the Enterprise is to develop a customer base of 500,000 households in the future five years; whereas the long term target is to expand the market coverage to include Yunnan Province and Guangxi Province attaining a customer base of over one million households in the future ten years.

During the initial stage of business development, the Enterprise will target to capture domestic households in the urban areas to expand its customer base. In the light of the fact that the industrial sector will consume greater capacity in fueling gas supply, the Enterprise will be keen to absorb users from the industrial and commercial sectors in the later stages.

Sources of Revenue

The revenues of the Enterprise are basically derived from two sources, namely subscription fees together with the initial installation fees and sales of fueling gas.

Risk Factors

This appraisal is based on the assumptions and projections made in the Business Plan provided by the Company. While the assumptions and considerations of such matters and projections of future net cash flows have been carefully scrutinized, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Enterprise.

The business of the Enterprise is subject to uncertainty and there is no assurance that the business plan of the Enterprise will materialize. In the course of our appraisal, we have considered the following potential risks:

- hurdles in the setup of provincial operations;
- changes in relevant governmental regulations and policies;
- similar arrangement or business lines to be entered into or developed by Ministry of Construction or other authorization units;
- relatively short history of operation; and
- competition between traditional gas supply method and new supplying method in terms of their recognition and effectiveness.

DEFINITION AND BASIS OF APPRAISAL

The fair market value of the business of the Enterprise is defined for the purpose of this appraisal as the total invested capital, net of the value of debt and interest on shareholders' loan, if any, but including shareholders' loans, if any, and is equivalent to the shareholders' equity plus shareholders' loans.

“Fair Market Value” is defined as intended to mean the estimated equivalent cash amount at which the interest in a business enterprise might be expected to exchange between a willing buyer and a willing seller, neither being under compulsion, each having reasonable knowledge of all relevant facts, with the buyer and the seller contemplating retention of the interest for the continuation of current business operations unless the break-up of the business enterprise or the sale of its assets would yield greater investment returns.

APPRAISAL METHODOLOGY

The fair market value of the Enterprise has been assessed through the application of the valuation approach known as the discounted cash flow method. By virtue of this method, value depends on the present worth of future economic benefits derived from ownership of the shareholders’ equity. Indications of value have been developed by discounting projected future net cash flows available for payment of shareholders’ loans and interest, in some cases, repayment of registered capital plus interest, dividends to their present worth at market-derived rates of return which in our opinion is appropriate to reflect the risk and hazard of the business. This discount rate also reflects the cost of equity, representing the risk-free return, the equity risk premium, the size premium and the specific company risk premium.

INVESTIGATION AND ANALYSIS

We confirm that we have carried out meetings and discussions with the management of the Company and the Enterprise and made relevant inquiries and obtained such further information, as we consider necessary for the purpose of this appraisal.

As part of our analysis, we have reviewed such financial information, the Business Plan, and other pertinent data concerning the Enterprise provided to us and have assumed their accuracy. We have also consulted other sources of financial and business information.

The appraisal of an interest in the Enterprise requires consideration of all pertinent factors, which affect the operation of the business and its ability to generate future investment returns. The factors considered in this appraisal include, but not limited to, the following:

- the nature of the Enterprise and its history from inception;
- the financial condition of the Enterprise;
- the Business Plan provided, in particular, ways to expand their distribution channels and customer base;
- the economic outlook of the PRC in general and the specific economic environment and market elements in the PRC which may affect the Enterprise as a whole;
- agreements and projected business schedules and cash flow;

- the financial and business risk of the Enterprise and its projected results; and
- investment returns and market transactions of entities engaged in similar lines of business.

APPRAISAL ASSUMPTIONS

We have adopted certain specific assumptions in this appraisal and the major ones are as follows:

- the Enterprise will be operated in accordance with the Business Plan provided;
- the Enterprise will obtain all necessary approvals from the State Administration of Foreign Exchange Control to pay out all profits after tax as dividends to the Enterprise annually and repayment of shareholders' loan and interest timely upon due;
- the projections outlined in the Business Plan provided are reasonable, reflecting market conditions and economic fundamentals;
- the projections outlined in the Business Plan provided will materialize;
- all relevant legal approvals and business certificates or licences to operate business in the locality in which the Enterprise operates or intends to operate should be officially obtained and renewable upon expiry;
- there will be a sufficient supply of technical staff in the industry in which the Enterprise operates;
- the Enterprise will retain competent management, key personnel and technical staff to support its ongoing operation and development;
- there are no outstanding debts and loans incurred at the date of appraisal;
- there will be no major changes in the current taxation laws in the PRC such that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- there will be no major changes in the political, legal, economic or financial conditions in the PRC which would adversely affect the revenues attributable to and profitability of the Enterprise; and
- interest rates and exchange rates in the PRC will not differ materially from those presently prevailing.

LIMITING CONDITIONS

We have relied to a considerable extent on information provided by the Company in arriving at our opinion of value. We assume, without independent verification, the accuracy of all information provided to us.

We have not investigated the title to or any legal liabilities against the business of the Enterprise. We have assumed no responsibility for the title to the business appraised.

We would particularly point out that our appraisal has relied heavily on the information such as company background, business nature, market share, future prospecting and in particular the cash flow projections of the Enterprise as contained in the Business Plan provided to us. The Business Plan is therefore a crucial document to our appraisal and is recommended to be read in conjunction with this appraisal report.

REMARKS

Unless otherwise stated, our appraisal has been carried out with reference to the currency of Hong Kong.

OPINION OF VALUE

Based on the investigation and analysis stated above and on the appraisal method employed, we are of the opinion that the fair market value of the 100 per cent. equity interest in the Enterprise as at 16th May, 2002 was reasonably stated by the amount of **HK\$106,000,000 (HONG KONG DOLLORS ONE HUNDRED AND SIX MILLION ONLY)**.

The opinion of value is based on generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in the Enterprise, the Company or the value reported herein.

Yours faithfully,
For and on behalf of
B.I. APPRAISALS LIMITED
William C.K. Sham
MRICS, AHKIS, RPS (G.P.)
Executive Director

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were as follows:

<i>Authorised:</i>	<i>HK\$</i>
5,000,000,000 Shares	100,000,000
<i>Issued and to be issued as fully paid:</i>	
1,731,650,000 Shares in issue as at the Latest Practicable Date	34,633,000
<u>315,000,000 Shares to be issued pursuant to S&P Agreement</u>	<u>6,300,000</u>
<u><u>2,046,650,000</u></u>	<u><u>40,933,000</u></u>

All the Shares rank *pari passu* in all respects, including all rights as to dividend, voting and interests in capital.

3. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company and its associated corporations which require notification pursuant to Section 28 of the SDI Ordinance (including interests which any such director is deemed or taken to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance), or which are required to be entered into the register

maintained by the Company under Section 29 of the SDI Ordinance or which require notification, pursuant to the Model Code for Securities Transactions by Directors of Listed Company were as follows:

(i) **Interests in Shares**

Name	Number of Shares held	
	Personal interests	Corporate interests
Mr. Tsang	25,000,000	732,560,000*
Madam Kwok	4,750,000	732,560,000*
Mr. Lau Tam Wah	1,000,000	–

* *These Shares are held through Rhenfield Development.*

(ii) **Interests in options to subscribe for Shares**

As at the Latest Practicable Date, the following Directors held options under the share option scheme:

Name	Exercise price <i>HK\$</i>	Exercise period	Number of share options outstanding
Mr. Tsang	0.2002	16th August, 2000 to 16th August, 2003	4,950,000
	0.0839	1st November, 2001 to 28th October, 2004	4,250,000
Madam Kwok	0.2002	16th August, 2000 to 16th August, 2003	4,950,000
	0.0839	1st November, 2001 to 28th October, 2004	4,250,000
Mr. Lau Tam Wah	0.1824	25th January, 2000 to 24th January, 2003	2,000,000
	0.0839	1st November, 2001 to 28th October, 2004	750,000

(iii) Interests in subsidiaries

Each of Mr. Tsang and Madam Kwok is also interested in the following number of non-voting deferred shares in the following subsidiaries of the Company:

	Grand Field Group Limited	Ka Fong Industrial Company Limited	Kwan Cheung Holdings Limited	Shing Fat Hong Limited
Mr. Tsang	1 share of HK\$100	1,000 shares of HK\$100 each	1 share of HK\$100	1 share of HK\$1
Madam Kwok	1 share of HK\$100	1,000 shares of HK\$100 each	1 share of HK\$100	1 share of HK\$1

Save as disclosed herein, none of the Directors or their associates had any interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance which require notification pursuant to Section 28 of the SDI Ordinance (including interests which any such Director is deemed or taken to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance), or which are required to be entered into the register maintained by the Company under Section 29 of the SDI Ordinance or which require notification, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

- (b) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (other than agreements expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation).
- (c) As at the Latest Practicable Date, B.I. Appraisals Limited, *Registered Professional Surveyors, Valuers & Property Consultants*, has no 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.

4. SUBSTANTIAL SHAREHOLDER'S INTERESTS

So far as is known to any Director or chief executive of the Company, the following Shareholder was, directly or indirectly, interested in 10 per cent. or more of the issued share capital of the Company as recorded in the register required to be kept under Section 16 of the SDI Ordinance as at the Latest Practicable Date:

Name	Number of Shares held
Rhenfield Development	732,560,000

Save as disclosed herein, no other person was recorded in the register kept pursuant to Section 16 of the SDI Ordinance as having, directly or indirectly, an interest in 10 per cent. or more of the issued share capital of the Company as at the Latest Practicable Date.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in litigation or arbitration of material importance in which the Company or any of its subsidiaries are engaged and litigation or claims of material importance which are pending or threatened by or against the Company or any of its subsidiaries.

6. CONSENT

B.I. Appraisals Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and reference to its name in the form and context in which it appears.

7. MISCELLANEOUS

- (a) The secretary of the Company is Mr. Steve Au-Yeung. He holds a Bachelor of Laws, Honours Degree from the University of London and a Master of Laws Degree in Chinese and Comparative Laws from the City University of Hong Kong. He is the Fellow of both the Chartered Institute of Management Accountants in United Kingdom and the Hong Kong Society of Accountants in Hong Kong.
- (b) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal office of the Company in Hong Kong is located at Room 1201-1204 Righteous Centre, 585 Nathan Road, Kowloon, Hong Kong.
- (c) The Hong Kong branch registrars and transfer office of the Company are Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (d) The English text of the circular shall prevail over the Chinese text.

NOTICE OF SPECIAL GENERAL MEETING



GRAND FIELD GROUP HOLDINGS LIMITED

鈞濠集團有限公司*

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of the Grand Field Group Holdings Limited (the “Company”) will be held on 1st August, 2002 at 11:00 a.m. at Hotel Miramar Hong Kong, Miramar Function Room I, Basement 2, 118-130 Nathan Road, Tsimshatsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“THAT:

- (a) The agreement dated 30th May, 2002 (the “S&P Agreement”) among (i) Worldgate Developments, (ii) Logistic China, and (iii) Mr. Wong (“the Vendors”) as vendors and the Company as purchaser in relation to the acquisition of a 75% equity interest in Sino Richest, a copy of each of the S&P Agreement and the circular of the Company dated 8th July, 2002 has been produced to this meeting marked “A” and “B”, respectively and signed by the Chairman of the meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved;
- (b) The allotment and issue of an aggregate of 315,000,000 shares of HK\$0.02 each of the Company (the “Consideration Shares”) to be credited as fully paid at HK\$0.20 per share to the Vendors pursuant to the S&P Agreement be and is hereby approved and that the Consideration Shares shall, when allotted and issued, rank pari passu in all respects with all other shares of HK\$0.02 each of the Company (the “Shares”) in issue at the date of such allotment and issue and that the allotment and issue of the Consideration Shares shall be without prejudice to the authority conferred on the Directors to allot and issue Shares by the shareholders of the Company at the annual general meeting held on 27th June, 2002; and

NOTICE OF SPECIAL GENERAL MEETING

- (c) The directors of the Company be and are hereby authorized to do all such things and acts and execute such documents and instruments which they consider necessary or expedient for the implementation of and giving effect to the S&P Agreement and the transactions contemplated thereunder including the allotment and issue of the Consideration Shares pursuant thereto.”

By Order of the Board
Grand Field Group Holdings Limited
Steve Au-Yeung
Company Secretary

Hong Kong, 8th July, 2002

*Head Office and Principal Place of
Business in Hong Kong*

Room 1201
Righteous Centre
585 Nathan Road
Kowloon
Hong Kong

Registered Office
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. A form of proxy for use at the SGM is enclosed herewith.
2. Any member of the Company entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and, on a poll, vote on his behalf in accordance with the Company's bye-laws. A proxy need not be a member of the Company.
3. To be valid, a form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or notarially certified copy of such power of attorney or authority must be lodged with the principal place of business of the Company in Hong Kong, Room 1201, Righteous Centre, 585 Nathan Road, Kowloon, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the SGM or at any adjournment thereof should they so wish.