
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Artfield Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**ARTFIELD GROUP LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

PROPOSAL FOR CHANGE OF AUDITORS

A notice convening the special general meeting of Artfield Group Limited to be held at Flats G & H, 12th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong on 30 May 2006 at 10:00 a.m. or any adjournment thereof is set out on pages 5 to 6 of this circular.

A form of proxy for use at the special general meeting of Artfield Group Limited is enclosed with this circular. Whether or not you are able to attend ad vote at such meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon and return the same to principal place of business of the Company at 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the special general meeting or any adjournment thereof should you so wish.

12 May 2006

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DEFINITIONS

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

“Board”	the board of Directors
“Change of Auditors”	the proposed appointment of ShineWing (HK) CPA Limited as new auditors of the Company following the resignation of KLL upon the approval of the Shareholders by an ordinary resolution at the SGM and to hold office until the conclusion of the next annual general meeting
“Company”	Artfield Group Limited, a company incorporated in Bermuda, the issued shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“KLL”	Messrs KLL Associates CPA Limited
“SGM”	the special general meeting of the Company to be convened and held at Flats G & H, 12th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong on 30 May 2006 at 10:00 a.m., the notice of which is set out on pages 5 to 6 of this circular
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)

LETTER FROM THE BOARD



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

Executive Directors:

LIANG Jin You (*Chairman & Managing Director*)

LI Kwo Yuk (*Deputy Chairman*)

LEUNG Kin Yau

OU Jian Sheng

DENG Ju Neng

CHEN, Vee Yong Frederick

Independent non-executive Directors:

LO Ming Chi, Charles

LO Wah Wai

ORR, Joseph Wai Shing

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business:

13th Floor

Universal Industrial Centre

19-21 Shan Mei Street

Fo Tan, Shatin

New Territories

Hong Kong

12 May 2006

To the Shareholders

Dear Sir and Madam

PROPOSAL FOR CHANGE OF AUDITORS

INTRODUCTION

On 21 April 2006, the Board announced the Change of Auditors.

The purposes of this circular are to provide the Shareholders with (i) further information on the Change of Auditors and (ii) the notice of the SGM to be convened and held for the purpose of considering and, if thought fit, approving the necessary resolution to implement the proposal.

CHANGE OF AUDITORS

KLL resigned as auditors of the Company with effect from 23 March 2006. The Company was informed by KLL that the reason for its resignation was due to the merger of their practice with BDO McCabe Lo Limited. The Board has resolved to propose appointing ShineWing (HK) CPA Limited as auditors of the Company to fill the vacancy and to hold office until the conclusion of the next annual

LETTER FROM THE BOARD

general meeting of the Company. The appointment of ShineWing (HK) CPA Limited is subject to approval by the shareholders of the Company at a special general meeting. The Board confirms that there are no circumstances in respect of the proposed change of auditors which they consider should be brought to the attention of the shareholders of the Company.

KLL also confirmed that there are no circumstances connected with their resignation which they considered should be brought to the attention of the members or creditors of the Company or its subsidiaries. KLL have not yet commenced the audit for the Company for the financial year ended 31 March 2006. It is expected that the change of auditors of the Company will not affect the audit and the release of annual results of the Company for the financial year ended 31 March 2006.

SGM

Set out on pages 5 to 6 of this circular is a notice convening the SGM to consider and, if thought fit, to approve the ordinary resolution relating to the Change of Auditors.

A form of proxy for use at the SGM is enclosed herewith. Whether or not you are able to attend and vote at such meeting, please complete the enclosed form of proxy and return it to the Company's principal place of business at 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, Hong Kong as soon as possible and in any event 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 will not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof if you so wish.

PROCEDURES FOR DEMANDING A POLL

Pursuant to bye-laws of the Company, 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 or any other demand for a poll:

- (a) by the chairman of such meeting; or
- (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 a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its 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 a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares conferring a right to 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 Shares conferring that right.

LETTER FROM THE BOARD

RECOMMENDATION

Having considered the reasons set out herein, the Board considers that the proposed ordinary resolution for the Change of Auditors is fair and reasonable and in the best interest of the Company and accordingly, recommend all Shareholders to vote in favour of the ordinary resolution at the SGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purposes of interpretation.

By Order of the Board
Artfield Group Limited
LIANG Jin You
Chairman

Hong Kong, 12 May 2006

NOTICE OF SPECIAL GENERAL MEETING



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of Artfield Group Limited (the “Company”) will be held at Flats G & H, 12th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong on 30 May 2006 at 10:00 a.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** ShineWing (HK) CPA Limited be and is hereby appointed as auditors of the Company to fill the casual vacancy following the resignation of KLL Associates CPA Limited and to hold office until the conclusion of the next annual general meeting and that the board of directors of the Company be authorised to fix their remuneration.”

By order of the Board
Artfield Group Limited
LIANG Jin You
Chairman

Hong Kong, 12 May 2006

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:

13th Floor, Universal Industrial Centre
19-21 Shan Mei Street
Fo Tan
Shatin
New Territories
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited at the principal place of business of the Company at 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority, not less than 48 hours before the time for holding of the meeting or any adjournment(s) thereof.
3. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

As at the date of this notice, the executive directors of the Company are Mr. LIANG Jin You, Ms. LI Kwo Yuk, Mr. LEUNG Kin Yau, Mr. OU Jian Sheng, Mr. DENG Ju Neng and Mr. CHEN Vee Yong Frederick. The independent non-executive directors are Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR, Joseph Wai Shing.