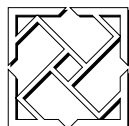


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ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1229)

GRANT OF OPTIONS AND RESUMPTION OF TRADING

On 24 August 2007, the Company entered into the Agreement with the Grantee whereby the Company agreed to grant to the Grantee and the Grantee agreed to subscribe from the Grantor 60,895,000 Options, at the Option Fee of HK\$608,950, with the rights to require, at any time during the Option Period, the Grantor to issue and allot one Option Share upon exercise of each Option at the Exercise Price of HK\$1.165 per Option.

The Exercise Price represents (i) a premium of approximately 1.30% to the closing price of HK\$1.15 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a premium of about 1.66% over the average closing price per Share of about HK\$1.146 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and (iii) a discount of about 4.98% to the average closing price per Share of about HK\$1.226 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date.

The Options, if fully exercised, will result in the issuance and allotment of 60,895,000 Option Shares which represents (i) approximately 20.00% of the existing issued share capital of the Company of 304,478,584 Shares as at the date of this announcement; and (ii) about 16.67% of the issued share capital of the Company of 365,373,584 Shares as enlarged by the issuance of the Option Shares.

Upon exercise of the Options in full, the gross proceeds and the net proceeds will be approximately HK\$70.9 million and HK\$70.9 million respectively. The net price per Option Share is HK\$1.165. It is intended that the net proceeds will be mainly used for possible diversified investment or project which is expected to improve the profitability, sustain its growth momentum, and broaden the revenue stream of the Group, as and when the Board considers appropriate and favourable in the interest of the Company and its Shareholders as a whole.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 24 August 2007 pending the release of this announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 29 August 2007.

OPTIONS SUBSCRIPTION AGREEMENT DATED 24 AUGUST 2007

Parties

The Company as Grantor.

Mr. Wong Man Hin, Charles as Grantee.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Grantee is a professional in securities industry in Hong Kong and is a third party independent of the Company and its subsidiaries and their respective connected persons as defined under the Listing Rules. Immediately before signing of the Agreement, the Grantee did not have any interest in the Shares.

Option Fee and Number of Option Shares

The Company has agreed to grant to the Grantee and the Grantee has agreed to subscribe from the Grantor 60,895,000 Options, at the Option Fee of HK\$608,950, with the rights to require, at any time during the Option Period, the Grantor to issue and allot one Option Share upon exercise of each Option (in total 60,895,000 Option Shares) at the Exercise Price of HK\$1.165 per Option.

Option Period

The Subscribed Options shall be granted to the Grantee within 5 Business Days after the fulfilment of the Condition and they are exercisable by the Option Holder(s) during the period commencing on the date of the grant of the Options and ending on one year after the date of the grant of the Options.

Exercise Price

The Exercise Price of an Option is HK\$1.165 (subject to adjustments if there is any alteration in the capital of the Company including capitalisation of profits or reserves, rights issues or open offer, consolidation or subdivision, capital reduction or other events which have dilution effect).

The Exercise Price represents (i) a premium of approximately 1.30% to the closing price of HK\$1.15 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a premium of about 1.66% over the average closing price per Share of about HK\$1.146 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and (iii) a discount of about 4.98% to the average closing price per Share of about HK\$1.226 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date.

The Option Fee and the Exercise Price were reached after arm's length negotiations between the Company and the Grantee taking into account of the market price of the Shares for the last five trading days up to and including the Last Trading Date.

Number of Option Shares

The Options, if fully exercised, will result in the issuance and allotment of 60,895,000 Option Shares which represents (i) approximately 20.00% of the existing issued share capital of the Company of 304,478,584 Shares as at the date of this announcement; and (ii) about 16.67% of the issued share capital of the Company of 365,373,584 Shares as enlarged by the issuance of the Option Shares.

Transfer of Options

No transfer of any Options shall be made to any connected person of the Company. Subject to the prior written approval of the Board of the Grantor, any Options may be transferred by any Option Holder to any person in whole multiples of 1,000,000 Options (or such lesser number of the Options as may represent the entire remaining number of Options held by such Option Holder).

Listing Application

An application will be made to the Stock Exchange for the listing of and permission to deal in the Option Shares.

Condition Precedent

The Agreement is conditional on the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Option Shares (the "Condition"). The Subscribed Options shall be granted to the Grantee within 5 Business Days after the fulfilment of the Condition.

If the Condition is not fulfilled by 30 November 2007 (or such other date as may be agreed by the parties in writing):

1. the rights and obligations of the Grantor and the Grantee in respect of the subscription of the Options shall forthwith terminate and cease to have any effect; and
2. the Grantor shall forthwith refund the Option Fee without interest to the Grantee.

General mandate

The Option Shares will be allotted and issued by the Company under a general mandate to allot, issue and deal with Shares granted to the Board by the Shareholders at the Company's last annual general meeting on 29 August 2006. The Company is authorized to issue 60,895,716 Shares under such mandate and the Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the date of the Agreement.

Ranking

The Option Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of allotment and issue of the Option Shares.

Reasons for the Subscription and use of proceeds

The Directors consider that the Subscription is a suitable opportunity to raise capital for the Company. In particular, (i) it does not have an instant dilution effect on the shareholding of the existing Shareholders; (ii) the financial condition of the Company will be strengthened upon exercise of the Options by the Option Holders.

Upon exercise of the Options in full, the gross proceeds and the net proceeds will be approximately HK\$70.9 million and HK\$70.9 million respectively. The net price per Option Share is HK\$1.165. It is intended that the net proceeds will be mainly used for possible diversified investment or project which is expected to improve the profitability, sustain its growth momentum, and broaden the revenue stream of the Group, as and when the Board considers appropriate and favourable in the interest of the Company and its Shareholders as a whole. As at the date of this announcement, no specific investment projects have been identified by the Group.

Effect on shareholding structure

The shareholding structure of the Company as at the date of this announcement and after exercise of the Options in full is set out below:

	Existing Shareholding		After exercise of Options in full	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Marigold Worldwide Group Limited <i>(note)</i>	119,184,300	39.14%	119,184,300	32.62%
Option holder	0	0.00%	60,895,000	16.67%
Public shareholders	185,294,284	60.86%	185,294,284	50.71%
	<u>304,478,584</u>	<u>100.00%</u>	<u>365,373,584</u>	<u>100.00%</u>

Note: Marigold Worldwide Group Limited is 100% beneficially owned by Mr. Yam Tak Cheung.

Except for the granting of share options under the Company's share option scheme, the Company does not have any other options, warrants or similar rights to subscribe for new shares of the Company in issue as at the date of this announcement.

Fund raising activity of the Company in the 12 months immediately preceding the date of this announcement

The Directors confirm that the Company did not conduct any fund raising activity in the 12 months immediately preceding the date of this announcement.

GENERAL

The Company is an investment holding company. The principal activities of its subsidiaries are marketing and trading of clocks and other office related products.

Suspension and resumption of trading in Shares

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 24 August 2007 pending the release of this announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 29 August 2007.

DEFINITIONS

“Agreement”	the options subscription agreement made between the Company and the Grantee;
“Board”	the board of Directors;
“Business Day”	a day (other than Saturday) on which banks generally are open for business in Hong Kong;
“Company / Grantor”	Artfield Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange;
“Directors”	directors of the Company;

“Group”	the Company and its subsidiaries;
“Exercise Price”	HK\$1.165 per Option Share (subject to adjustments if there is any alteration in the capital of the Company including capitalisation of profits or reserves, rights issues or open offer, consolidation or subdivision, capital reduction or other events which have dilution effect);
“Grantee”	Mr. Wong Man Kin, Charles
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China;
“Last Trading Day”	23 August 2007, being the last trading day of the Shares before the publication of this announcement;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Option(s)”	means the right(s) granted under the Agreement to subscribe for Option Share(s);
“Option Fee”	the amount payable by the Grantee upon signing of the Agreement;
“Option Holder”	holder of Option(s);
“Option Period”	the option period commencing on the date of the grant of the Options and ending on one year after the date of the grant of the Options;
“Option Share”	means the Share issued from exercise of each Option (subject to adjustments if there is any alteration in the capital of the Company including capitalisation of profits or reserves, rights issues or open offer, consolidation or subdivision, capital reduction or other events which have dilution effect);
“Subscription”	subscription of the Options by the Grantee under the Agreement;

“Share(s)”	ordinary shares of HK\$0.10 each of the Grantor;
“Shareholder(s)”	holder(s) of the issued Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribed Options”	60,895,000 Options granted by the Grantor to the Grantee under the terms of this Agreement;
“HK\$”	the lawful currency of Hong Kong.

By Order of the Board
Artfield Group Limited
Leung Heung Ying, Alvin
Managing Director

Hong Kong, 28 August 2007

As at the date of this announcement, the executive directors of the Company are Mr. LEUNG Heung Ying, Alvin, Ms. CHUNG Oi Ling, Stella. The independent non-executive directors of the Company are Mr. LO Ming Chi, Charles, Mr. LO Wah Wai, Mr. ORR, Joseph Wai Shing and Mr. WONG Ngao San, Marcus.