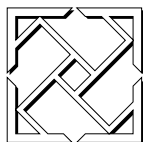


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents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



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1229)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

On 27 August 2007, the Vendor, an indirectly wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to disposal of the Property at a total consideration of HK\$11,451,450.00.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Disposal will be dispatched to the Shareholders as soon as practicable.

THE AGREEMENT

Date of the Agreement: 27 August 2007

Vendor: Artfield Manufacturing Company Limited

Purchaser: Upwin Investments Limited

Property: Car Park No. L11, L18 and L19, Unit E, F and H of 9th Floor, Unit E, F, G and H of 13th Floor, Universal Industrial Centre, 19-25 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its subsidiaries and their respective connected persons (as defined in the Listing Rules).

Pursuant to the Agreement, the Vendor will sell and the Purchaser will purchase the Property upon the terms contained therein.

INFORMATION OF THE PROPERTY

The Property is located at Universal Industrial Centre, 19-25 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong. The Property is an industrial property with a gross floor area of 16,233 sq.ft. (excluding the car parking spaces).

Part of the Property was the subject of two tenancies which rental income for the two financial years ended 31 March 2006 and 31 March 2007 were HK\$126,000.00 and HK\$304,500.00 respectively. The remaining part of the Property is being occupied by the Group as office premises and warehouse. The latest tenancy will expire on 30 June 2009.

LEASEBACK ARRANGEMENT

The Vendor will leaseback certain units of the Property following the completion of the Disposal.

Subject to the signing of the relevant tenancy agreement(s), the terms of the leaseback are summarized as follows:

- Units: Car parking spaces Nos. L11, L18 and L19, Workshops E, F & H on 9th Floor and Workshops G & H on 13th Floor of the Property (*Note*).
- Term: 2 years
- Rent: (1) HK\$2,580 per month for each carpark (exclusive of rates, Government rent and management fees);
- (2) HK\$3.10 per square ft. per month for Workshops E, F & H on 9th Floor and Workshops G & H on 13th Floor (exclusive of rates, Government rent and management fees).

- Gross Areas:
- (1) 7,048 square ft. for Workshops E, F & H on 9th Floor; and
 - (2) 4,635 square ft. for Workshops G & H on 13th Floor.

Workshops E, F & H on 9th Floor and Workshops G & H on 13th Floor of the Property are currently occupied by the Vendor as office premises and warehouse.

Note: Workshop H on 9th Floor is currently under a tenancy. Subject to early surrender of that Workshop by the relevant tenant on 31 October 2007, the Vendor will leaseback that Workshop from the Purchaser at the aforesaid leaseback terms. That Workshop will be used by the Vendor as office or warehouse as it may deem appropriate.

CONSIDERATION AND PAYMENT TERMS

The consideration for the Disposal is HK\$11,451,450.00 which has been determined after arm's length negotiations between the Vendor and the Purchaser after taking into account of the result of a valuation conducted by an independent valuer in respect of the market value of the Property as at 13 August 2007 of HK\$11,250,000.00. Based on the aforesaid, the Directors consider the terms of the Disposal to be fair and reasonable.

According to the audited consolidated financial statements of the Company for the year ended 31 March 2007, the fair value of the Property as at 31 March 2007 was HK\$11,063,705.00. The Disposal would enable the Company to recognize a gain of approximately HK\$387,745.00 (before selling expenses).

The consideration for the Disposal shall be payable to the Vendor in cash in the following manner:

- a. an initial deposit in the sum of HK\$5,000,000.00 has been paid by the Purchaser upon signing of the Agreement;
- b. the balance of consideration in the sum of HK\$6,451,450.00 shall be paid by the Purchaser upon Completion on or before 28 September 2007 to the Vendor.

COMPLETION

Completion of the sale and purchase of the Property shall take place on or before 28 September 2007. The Purchaser has agreed to purchase the Property subject to the existing tenancies upon Completion.

REASONS FOR THE DISPOSAL

The Company is an investment holding company. The principal activities of its subsidiaries are marketing and trading of clocks and other office related products. With the recent upturn of Hong Kong property market, the Directors consider that it is a good opportunity for the Group to dispose of the Property. The Directors are of the view that the Disposal is on normal commercial terms which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The audited net profit both before and after taxation and extraordinary items attributable to the Property was approximately HK\$126,000.00 and HK\$126,000.00 respectively for the year ended 31 March 2006.

The audited net profit both before and after taxation and extraordinary items attributable to the Property was approximately HK\$304,500.00 and HK\$304,500.00 respectively for the year ended 31 March 2007.

USE OF PROCEEDS FROM THE DISPOSAL

The estimated net proceeds from the Disposal of approximately HK\$11,400,000.00 will be used for repayment of existing bank loan of the Group in the amount of approximately HK\$4,645,000 and the balance as working capital.

GENERAL

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Disposal will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Agreement”	the sale and purchase agreement dated 27 August 2007 entered into between the Vendor and Purchaser in relation to the Disposal
“Company”	Artfield Group Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange

“Completion”	completion of the sale and purchase of the Property
“Disposal”	disposal of the Property by the Vendor pursuant to the Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Car Park No. L11, L18 and L19, Unit E, F and H of 9th Floor, Unit E, F, G and H of 13th Floor, Universal Industrial Centre, 19-25 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong
“Purchaser”	Upwin Investment Limited, a company incorporated in Hong Kong with limited liability
“Shareholder(s)”	holders of ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Artfield Manufacturing Company Limited, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company

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 and Ms. Chung Oi Ling, Stella and the independent non-executive directors are Mr. Lo Ming Chi, Charles, Mr. Lo Wah Wai, Mr. Orr Joseph Wai Shing and Mr. Wong Ngao San, Marcus.