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Artfield Group Limited

(incorporated in Bermuda with limited liability)

(Stock code: 1229)

Ascent Goal Investments Limited

(incorporated in British Virgin Islands with limited liability)

(1) SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BOND

(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS BY

BARON CAPITAL LIMITED

FOR AND ON BEHALF OF ASCENT GOAL INVESTMENTS LIMITED

FOR ALL ISSUED SHARES IN (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE SUBSCRIBED FOR OR ACQUIRED BY ASCENT GOAL INVESTMENTS LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND ALL OUTSTANDING CALL OPTIONS AND SHARE OPTIONS OF ARTFIELD GROUP LIMITED

(3) INCREASE IN AUTHORISED SHARE CAPITAL

AND

(4) RESUMPTION OF TRADING

THE SUBSCRIPTION AGREEMENT

On 15 January 2008, the Company and the Offeror entered into the Subscription Agreement. Pursuant to the Subscription Agreement, the Company (i) has conditionally agreed to allot and issue to the Offeror, and the Offeror has conditionally agreed to subscribe in cash consideration of HK\$80,000,000 for a total of 400,000,000 Subscription Shares at the subscription price of HK\$0.20 per Subscription Share, representing 131.37% of the existing issued share capital of the Company and 56.78% of the issued share capital of the Company

as enlarged by the Subscription Shares; and (ii) has conditionally agreed to issue to the Offeror, and the Offeror has conditionally agreed to subscribe for, the Convertible Bond in the principal amount of HK\$200,000,000 simultaneously upon completion of the issue and allotment of the Subscription Shares. Upon full conversion of the Convertible Bond at the initial conversion price of HK\$0.20 per Share, an aggregate of 1,000,000,000 new Shares would fall to be issued, representing 328.43% of the existing issued share capital of the Company and 58.67% of the issued share capital of the Company as enlarged by the Subscription Shares and the Conversion Shares. The initial conversion price of the Convertible Bond of HK\$0.20 per Share is the same as the Subscription Price. Unless previously converted, the outstanding principal amount of the Convertible Bond will be repayable in full by the Company on the Maturity Date. The Convertible Bond bears no interest.

The Subscription Agreement is conditional upon, among other things, approval of the Subscription Agreement by the Shareholders at the SGM. The conditions precedent to the Subscription Agreement are set out in the paragraph headed “Conditions of the Subscription Agreement” below. The Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them have no shareholding in the Company as at the date of this announcement. Should they become owner of any Shares prior to the holding of the SGM, they shall abstain from voting on the resolution to be proposed at the SGM in relation to the Subscription Agreement and the transactions contemplated therein.

The net proceeds from the Subscriptions are estimated to be approximately HK\$278 million. The Directors intend to use the net proceeds of HK\$240 million for future business investments particularly in the natural resources and/or PRC properties areas and the remaining balance of the proceeds will be used for recruitment of relevant new employees to strengthen the management team of the Company and general working capital purposes.

POSSIBLE OFFERS

Immediately upon completion of the Subscription Agreement, the Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them will own 400,000,000 Shares, representing approximately 56.78% of the issued share capital of the Company as enlarged by the Subscription Shares.

Pursuant to Rules 26 and 13 of the Takeovers Code and subject to completion of the Subscription Agreement, Baron will on behalf of the Offeror make unconditional mandatory general offers for (i) all issued Shares, other than those already owned by or agreed to be subscribed for or acquired by the Offeror and parties acting in concert with it, at a price of HK\$1.30 per Share; and (ii) all the outstanding Call Options and Share Options as comparable offers on terms set out below.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of the Subscription Agreement, the authorised share capital of the Company was HK\$90,000,000 divided into 900,000,000 Shares of HK\$0.10 each, of which 304,478,584 Shares have been issued and are fully paid or credited as fully paid. In order to cater for the issue of Subscription Shares and the Conversion Shares which may be issued upon conversion of the Convertible Bond, the Board proposes to increase the authorised share capital of the Company from HK\$90,000,000 divided into 900,000,000 Shares to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,100,000,000 unissued Shares. The proposed increase in authorised share capital is conditional upon the passing of an ordinary resolution by Shareholders at the SGM. No Shareholders are required to abstain from voting in respect of this resolution.

GENERAL

The Independent Board Committee will be formed to advise the Independent Shareholders in respect of the Offers. An Independent Financial Adviser will be appointed to advise the Independent Board Committee in this respect. An announcement will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed.

A circular containing further information regarding, among other things, the Subscription Agreement and the increase in authorised share capital together with the notice of the SGM will be despatched to the Shareholders as soon as practicable.

Pursuant to Rule 8.2 of the Takeovers Code, the offer document in respect of the Offers is required to be despatched to the Shareholders within 21 days of the date of this announcement. The Company is required to send a response document in relation to the Offers to the Shareholders, the Call Option Holder and the Share Option Holders within 14 days of the posting of the offer document or such later date as the Executive may approve. It is the intention of the Offeror and the Company that subject to Completion having occurred, a composite offer and response document (and attaching thereto the acceptance and transfer

forms) setting out details of the Offers and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offers will be jointly despatched by the Offeror and the Company to the Shareholders in accordance with the requirements of the Takeovers Code. An application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the composite document to within 7 days of completion of the Subscription Agreement.

It is the intention of the Offeror that the listing of the Shares on the Stock Exchange be maintained following the close of the Offers.

The Offeror has appointed Baron as its agent to make, if required, the Offers on its behalf. Baron is satisfied that sufficient financial resources are available to the Offeror to enable it to satisfy its obligations under the Subscription Agreement and to satisfy full acceptance of the Offers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 2:30 p.m. on 11 January 2008 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 29 January 2008.

Warning: The Offers are a possibility only and are conditional upon completion of the Subscription Agreement.

Shareholders and potential investors should be aware and take note that the Subscription Agreement is conditional upon the satisfaction or waiver of a number of conditions as described in the paragraph headed "Conditions of the Subscription Agreement" and that the making of the Offers is subject to completion of the Subscription Agreement which may or may not proceed. Accordingly, the Offers may or may not be made. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT DATED 15 JANUARY 2008

The Share Subscription

Issuer : the Company

Subscriber : Ascent Goal Investments Limited, which is wholly-owned by China Sonangol International Limited, a company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are third parties independent of the Company and its connected persons, and are not parties acting in concert with any connected persons of the Company. Prior to and save for the entering into the Subscription Agreement between the Company and the Subscriber, the Subscriber and its ultimate beneficial owners had no relationship with the Company and its connected persons. As at the date of this announcement, the Subscriber, its ultimate beneficial owners and associates and parties acting in concert with any one of them do not own any Shares.

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber and the Subscriber has conditionally agreed to subscribe in cash consideration of HK\$80,000,000 for a total of 400,000,000 Subscription Shares at the subscription price of HK\$0.20 per Subscription Share.

The Subscription Shares represent 131.37% of the existing issued share capital of the Company and 56.78% of the issued share capital of the Company as enlarged by the Subscription Shares.

The Subscription Price

The subscription price of HK\$0.20 per Subscription Share was determined after arm's length negotiations between the Company and the Subscriber.

The Subscription Price represents (i) a discount of approximately 86.8% to the closing price of HK\$1.51 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 85.5% to the average closing price of approximately HK\$1.38 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day; and (iii) a premium of approximately 36.1% over the Group's unaudited net asset value of approximately HK\$0.147 per Share as at 30 September 2007. As at 30 September 2007, the Group had unaudited net asset value of approximately HK\$44,631,000; and unaudited net loss for the six months ended 30 September 2007 was approximately HK\$10,387,000.

The Directors note that the Subscription Price is at substantial discounts to the recent market prices of the Shares. The Group has been suffering from losses for the past few years and its net asset base has been decreasing over the years. In view of the prospects relating to natural resources generally, the Company believes that diversifying into this industry will be a sound strategy for the Company's business development. The Subscriber has indicated to the Board that it will treat its investment in the Company as long-term investment. The Directors believe that the Group would benefit from the Subscriber's financial and management resources and extensive experience in oil industry, trading and properties investment areas as discussed under the paragraph headed "Information on and intentions of the Subscriber" below. The Directors note that the Subscription Price is at significant discounts to the prevailing market prices of the Shares. However, taking note of the relatively thin net asset base of the Group and the losses it has recorded for the past few years, the Directors consider that the prevailing market prices are not supported by the fundamentals of the Group. In the circumstances, the Directors consider that net asset value would be more relevant benchmark for determining the issue price of Subscription Shares, in particular, for arm's length long-term investors. Accordingly, the Directors consider that the Subscription Price, representing a premium of approximately 36.1% over the Group's unaudited net asset value of approximately HK\$0.147 per Share as at 30 September 2007, are favourable terms to the Company. The Directors consider that without the long term commitment from the Subscriber by way of the subscription of the Subscription Shares and the Convertible Bond, the Group would not have the access to the natural resources industry and the necessary financial resources to explore any new business opportunities in the natural resources industry; and hence, there may not be any substantial improvement in the Group's financial performance. Taking account of the above factors, in particular the fact that the Subscription Price represents a premium over the Group's net asset value and the strategic value contributed by the Subscriber, the Board is of the view that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, the Subscription Price represents a discount of approximately 86.8% to the closing price as quoted on the Stock Exchange on the Last Trading Day whereas the Share Offer price represents a discount of approximately 13.9% to the closing price as quoted on the Stock Exchange on the Last Trading Day. The Directors are of the view that the Subscriptions offer new capital injection to the Company for its future development whereas the Share Offers offer an exit opportunity for the existing Shareholders. Taking into account the above analysis on the Subscription Price and the below analysis on the Share Offer price under the section of “The Possible Offers”, the Directors (including the independent non-executive Directors) consider that the Subscription Price and the Share Offer price are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate consideration for the Subscription Shares of HK\$80,000,000 will be payable to the Company by cash upon Completion by the Subscriber for the issue and allotment of the Subscription Shares. The Subscriber has paid a deposit of HK\$2,000,000 to the Company on the day following the date of the Subscription Agreement. In the event any of the conditions set out in the section headed “Conditions of the Subscription Agreement” is not fulfilled (or being waived by the Subscriber) on or before the Long Stop Date, the Company shall refund the deposit of HK\$2,000,000 to the Subscriber in full (without interest) and no party shall have any right to damages or reimbursement for any cost and expenses that it may have incurred in connection with or arising out of the Subscription Agreement or the failure to complete the Share Subscription.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the approval of the listing of and the permission to deal in the Subscription Shares on the Stock Exchange.

Ranking of the Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including all rights to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

The Convertible Bond Subscription

Issuer : the Company

Subscriber : Ascent Goal Investments Limited

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bond in the principal amount of HK\$200,000,000 simultaneously upon completion of the issue and allotment of the Subscription Shares.

The principal terms of the Convertible Bond are set out below:

Principal amount HK\$200,000,000

Coupon The Convertible Bond will bear no interest.

Maturity Unless previously converted, the Company shall repay the principal amount of the outstanding Convertible Bond to the then holder of the Convertible Bond in full on the Maturity Date, being the date falling 36 months from the date of issue of the Convertible Bond certificate.

Conversion The holders of the Convertible Bond may convert the whole or part of the principal amount of the Convertible Bond (in multiples of HK\$1,000,000) into such number of Shares determined by dividing the principal amount of the Convertible Bond being converted by the Conversion Price then in effect.

Conversion Price HK\$0.20 per Conversion Share, subject to adjustment provisions which are normal for convertible debt securities of this type and, in summary, an adjustment may be made in the event of:

- (i) any consolidation or sub-division of the Shares;
- (ii) any issue of Shares (other than in lieu of a cash dividend) by way of capitalization of profits or reserves;

- (iii) any capital distribution to holders of the Shares or grant to such holders rights to acquire assets of the Group for cash;
- (iv) any offer to holders of the Shares for subscription by way of rights or grant to holders of the Shares any options or warrants to subscribe for new Shares at a price which is less than 90% of the market price as at the date of the related announcement;
- (v) the issue by the Company wholly for cash of any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share initially receivable for such securities is less than 90% of the market price as at the date of the related announcement;
- (vi) the rights of conversion or exchange or subscription attached to such securities mentioned in (v) above are modified so that the total effective consideration per Share initially received for such securities shall be less than 90% of the market price at the date of the related announcement; or
- (vii) any issue of Shares wholly for cash at a price per Share which is less than 90% of the market price at the date of the related announcement.

Conversion period

The period commencing from the date of issue of the Convertible Bond certificate and ending on a date falling 36 months of the date of issue of the Convertible Bond certificate. The date of issue of the Convertible Bond certificate will be the Completion Date.

Redemption

Neither the Company nor the holder of Convertible Bond shall at any time redeem (all or part of) the principal amount of the Convertible Bond outstanding prior to the Maturity Date.

Transferability

The Convertible Bond may be assigned or transferred (in whole or in part) with the execution of a transfer instrument in a form approved by the Board. Subject thereto, there is no restriction on the transfer of the Convertible Bond.

Public float The conversion rights attaching to the Convertible Bond will not be exercised by the holder of the Convertible Bond and the Company will not issue the Conversion Shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.

Ranking of Conversion Shares The Conversion Shares issued upon the exercise by the holder of Convertible Bond the conversion rights attaching to the Convertible Bond will, when issued, rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares, including the right to receive all future dividends and distributions.

Listing of the Convertible Bond and the Conversion Shares

No application will be made for the listing of the Convertible Bond on the Stock Exchange or any other recognized stock or securities exchanges. However, application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attaching to the Convertible Bond.

The Conversion Price comparisons

The initial Conversion Price of HK\$0.20 per Conversion Share (subject to adjustment) is the same as the Subscription Price, and was determined on the same basis as the Subscription Price. Taken into account of the estimated expenses in relation to the issue of the Subscription Shares and the Conversion Shares (assuming full conversion of the Convertible Bonds), the net issue price of the new Shares to be issued under the Subscriptions is HK\$0.199. A comparison of the Subscription Price with the recent market prices and net asset value of the Group is set out in the paragraph headed “The Subscription Price” under the section headed “The Subscription Agreement Dated 15 January 2008” above.

The Board is of the view that the terms of the Convertible Bond Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Upon conversion in full of the Convertible Bond at the initial Conversion Price of HK\$0.20 per Share, an aggregate of 1,000,000,000 new Shares would fall to be issued representing 328.43% of the existing issued share capital of the Company and 58.67% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Conversion Shares.

Conditions of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon the following conditions being fulfilled:

- (a) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Subscription Agreement to the Completion Date, save for any temporary suspension not exceeding 10 consecutive trading days (except for the suspension for the purpose of clearing any announcements to be released by the Company in relation to the Subscription Agreement or matters contemplated therein), or such longer period as the Subscriber may accept in writing, and no indication being received on or before the Completion Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the Completion or in connection with the terms of the Subscription Agreement;
- (b) the authorised share capital of the Company being increased from 900,000,000 Shares to 5,000,000,000 Shares;
- (c) listing of and permission to deal in all of the Subscription Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally, or subject to conditions which are acceptable to the Subscriber in its opinions);
- (d) listing of and permission to deal in all of the Conversion Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally, or subject to conditions which are acceptable to the Subscriber in its opinions);
- (e) passing of the shareholders resolutions which are necessary to give effect to the transactions contemplated under the Subscription Agreement and comply with the Listing Rules and the Takeovers Code (if required) including (i) the approval of the terms of the Subscription Agreement; (ii) the increase in the authorised share capital of the Company from 900,000,000 Shares to 5,000,000,000 Shares; (iii) the approval of the issue and allotment of the Subscription Shares; and (iv) the approval of the issue and allotment of the Conversion Shares;

- (f) the granting of any other waivers, consents, authorizations, clearances and approvals which are required from the Shareholders, the Stock Exchange and/or the SFC, which the Subscriber reasonably considers are necessary for the Completion and the implementation of the other matters contemplated under the Subscription Agreement;
- (g) the warranties of the Subscription Agreement remaining true and accurate in all material respects, and not misleading in any material respect, on the date of the Subscription Agreement and at Completion; and
- (h) the Company having complied fully with its obligations under the Subscription Agreement on or prior to the Completion Date.

In the event that any of the conditions is not fulfilled or waived (as the case may be) by 5:00 p.m. (Hong Kong time) on the Long Stop Date (or such other date as the Company and the Subscriber may agree in writing), the Subscription Agreement shall cease and determine and thereafter neither party shall have obligations and liabilities thereunder save for any antecedent breaches thereof.

Completion

Completion of the Subscription Agreement shall take place on the third business day following the date on which all the above conditions are fulfilled or waived, as the case may be (or such other date as the Company and the Subscriber may agree in writing).

In accordance with the respective terms of the grant of the Call Options under an option subscription agreement and the share option scheme of the Company adopted on 28 August 2003 pursuant to which the Share Options have been granted, there will not be any adjustment required to be made on the exercise prices of or number of new Shares to be issued under the Call Options and Share Options as a result of completion of the Subscriptions.

Shareholders and potential investors should be aware and take note that the Subscription Agreement is conditional upon the satisfaction or waiver of a number of conditions as mentioned above. The release of this announcement does not mean the Subscription Agreement will be completed or that the Offers will be made. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

The Company undertakes to the Stock Exchange that it will notify the Stock Exchange in writing from time to time when it is notified by the relevant holder(s) of the Convertible Bond of any acquisition/transfer of the Convertible Bond and/or conversion of any Convertible Bond by connected persons of the Company other than by the Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them.

Subject to Completion, the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange for so long as any Convertible Bond is outstanding. Such Monthly Announcement will be made on or before the fifth business day following the end of each calendar month and will include the following information in table form:

- (i) whether there has been any conversion of the Convertible Bond during the relevant month. If yes, the relevant Monthly Announcement will set out details of the conversion(s), including the conversion date, number of new Shares which fall to be issued and the conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect will be made;
- (ii) the outstanding principal amount of the Convertible Bond after the conversion(s), if any;
- (iii) the total number of new Shares issued pursuant to other transactions during the relevant month, including Shares issued pursuant to the exercise of options under any share option scheme(s) of the Company;
- (iv) the total issued share capital of the Company as at the commencement of the first day and the last day of the relevant month; and
- (v) in addition to the Monthly Announcement, if the cumulative amount of the Conversion Shares issued pursuant to the conversion of the Convertible Bond reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bond (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (i) to (iv) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bond (as the case may be) up to the date on which the total amount of the Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bond (as the case may be).

THE POSSIBLE OFFERS

Upon completion of the Subscription Agreement, the Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them will own 400,000,000 Shares, representing approximately 56.78% of the issued share capital of the Company as enlarged by the Subscription Shares. Subject to this, the Offeror is obliged to make an unconditional mandatory general offer in respect of all the issued Shares (other than those already owned by or agreed to be subscribed for or acquired by the Offeror and parties acting in concert with it) in accordance with Rule 26 of the Takeovers Code. The Offeror will also be required to make a comparable offer for all the outstanding Call Options and Share Options under Rule 13 of the Takeovers Code. As such, the unconditional mandatory general offers for the Call Options and the Share Options will also be made by the Offeror to holders of the Call Options and the Share Options.

Immediately after and subject to Completion, Baron will, on behalf of the Offeror, make (i) the Share Offer to acquire all the issued Shares (other than those already owned by or agreed to be subscribed for or acquired by the Offeror and parties acting in concert with it); (ii) the Call Option Offer for the transfer of all outstanding Call Options; and (iii) the Share Option Offer for cancellation of all outstanding Share Options on the terms to be set out in the offer document to be issued in respect of the Offers on the following basis:

The Share Offer

For each existing Share HK\$1.30 in cash

The Share Offer values the entire existing issued share capital of the Company at approximately HK\$395.8 million.

The Share Offer price of HK\$1.30 per Share was determined with reference to the average closing price of approximately HK\$1.38 per Share for the ten consecutive trading days up to and including the Last Trading Day. It represents:

- a discount of approximately 13.9% to the closing price of HK\$1.51 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 5.8% to the average closing price of approximately HK\$1.38 per Share for the ten consecutive trading days up to and including the Last Trading Day; and

- approximately 7.7 times over the Group's audited net asset value of approximately HK\$0.17 per Share as at 31 March 2007, being the date to which the latest audited consolidated financial accounts of the Company were drawn up.

The Shares to be acquired under the Share Offer shall be free and clear of all liens, charges and encumbrances whatsoever and have all rights as at the Completion Date or thereafter attaching thereto (including the right to all dividends and distributions declared, paid or made on or after the Completion Date).

No Shareholder has undertaken with the Offeror to accept or reject the Share Offer.

The Call Option Offer

For transfer of each of 60,895,000 Call Options
with exercise price at HK\$1.165 per Share HK\$0.135 per Call Option in cash

The price for transfer of the Call Options under the Call Option Offer is determined by reference to the exercise price of the Call Options at HK\$1.165 per Share. The Call Option Holder is an independent third party not connected with the Company.

Under the terms of the Call Option Offer, the Call Options together with all rights attaching thereto will be transferred to the Offeror free and clear of all liens, charges and encumbrances whatsoever. The Offeror has not received any irrevocable commitment from the Call Option Holder to accept or reject the Call Option Offer.

The Share Option Offer

(i) For cancellation of each of 6,089,570 Share
Options with exercise price
at HK\$1.146 per Share HK\$0.154 per Share Option in cash

(ii) For cancellation of each of 3,040,000 Share
Options with exercise price
at HK\$1.26 per Share HK\$0.04 per Share Option in cash

The prices for cancellation of the Share Options under the Share Option Offer are determined by reference to the respective exercise prices of the Share Options.

Under the terms of the Share Option Offer, the Share Options together with all rights attaching thereto will be entirely cancelled and renounced. No Share Option Holders has undertaken to the Offeror to accept or reject the Share Option Offer.

Pursuant to the share option scheme of the Company adopted on 28 August 2003 under which the Share Options were granted to the Share Option Holders, in the case that a general offer is made to the Shareholders, the Share Option Holders will be entitled to exercise the Share Options in full at any time before the close of the offer, after which the Share Options shall lapse according to the terms of the share option scheme.

Save for the Call Options and the Share Options as mentioned above, there is no outstanding options, warrants, derivatives or securities convertible into Shares as at the date of this announcement.

Highest and lowest share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period preceding the Last Trading Day were HK\$2.03 per Share on 30 July 2007 and HK\$1.03 per Share on 23 October 2007 respectively.

Financial resources in respect of the Offers

If the Subscription Agreement is completed and assuming full acceptance of the Offers and no exercise of the Call Options and the Share Options, the cash consideration payable by the Offeror to acquire all the Shares not already owned by or agreed to be subscribed for or acquired by the Offeror and parties acting in concert with it and the Call Options and for cancellation of all outstanding Share Options would be approximately HK\$405,102,377.98.

If the Subscription Agreement is completed and assuming full acceptance of the Share Offer and full exercise of the Call Options and the Share Options, the cash consideration payable by the Offeror to acquire all the Shares not already owned by or agreed to be subscribed for or acquired by the Offeror and parties acting in concert with it (including Shares issued pursuant to exercise of Call Options and Share Options) would be approximately HK\$486,854,100.20.

Baron is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable by it under the Subscription Agreement and to enable the Offeror to satisfy full acceptance of the Offers.

Dealing and interests in the Company's securities

Save for the proposed Subscriptions under the Subscription Agreement, none of the Offeror, its ultimate beneficial owners and associates nor parties acting in concert with any one of them has dealt in the Shares, outstanding options, derivatives, warrants, or other securities convertible into Shares in the six months period prior to and up to the date of this announcement. As at the date of this announcement, the Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them do not hold any Shares, outstanding options, derivatives, warrants or other securities convertible into Shares.

Stamp Duty

Sellers' ad valorem stamp duty for the Shares in connection with acceptance of the Share Offer will be payable by each Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such person's Shares and will be deducted from the consideration payable to such person under the Share Offer. Such amounts will be paid by the Offeror to the Stamp Duty office in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Sellers' ad valorem stamp duty for the Call Options in connection with acceptance of the Call Option Offer will be payable by the Call Option Holder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such person's Call Options and will be deducted from the consideration payable to such person under the Call Option Offer. Such amounts will be paid by the Offeror to the Stamp Duty office in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Information on and intentions of the Subscriber

Ascent Goal Investments Limited, the Subscriber, is an investment holding company incorporated under the laws of British Virgin Islands with limited liability, and a wholly-owned subsidiary of China Sonangol International Limited. Save for the entering into of the Subscription Agreement, Ascent Goal Investments Limited has not conducted any business since its incorporation and has no material assets and liabilities. Ms. Lo Fong Hung is the sole director of Ascent Goal Investments Limited.

China Sonangol International Limited is a company incorporated under the laws of Hong Kong with limited liability which is principally engaged in the exploration, development, production and sale of crude oil, property and hotel investment, and investment holdings. It is beneficially owned as to 70% by New Bright International Development Limited and 30% by Sonangol E.P. Ms. Lo Fong Hung, Ms. Fung Yuen Kwan, Veronica and Mr. Manuel Domingos Vincente are the directors of China Sonangol International Limited.

New Bright International Development Limited is ultimately and beneficially owned as to 30% by Ms. Lo Fong Hung and 70% by Ms. Fung Yuen Kwan, Veronica. It is a company incorporated under the laws of Hong Kong with limited liability which is principally engaged in investment holding. Ms. Lo Fong Hung and Ms. Fung Yuen Kwan, Veronica are the directors of New Bright International Development Limited. Ms. Lo Fong Hung and Ms. Fung Yuen Kwan, Veronica are business partners.

Sonangol E.P. is a 100% state-owned oil company of the Republic of Angola which is responsible for the management of oil and gas reserves in Angola.

The Company becomes acquainted with the Subscriber through Baron. Prior to the entering into of the Subscription Agreement, neither the Subscriber, its beneficial owners nor the parties acting in concert with any of them owned any Shares. Save for the entering into of the Subscription Agreement, none of the Subscriber, its beneficial owners and parties acting in concert with any of them has dealt in any Shares during the period commencing on the date of the six months prior to 28 January 2008, being the date on which the offer period commenced.

The Subscriber intends that apart from maintaining the existing business of the Group, it will actively seek for investment opportunities in order to broaden and expand the business and operations of the Group, particularly in natural resources and/or PRC properties areas. However, there is no specific plan or target to which the Company is committed at present and no negotiation has taken place in this regards.

In view of the losses continuously recorded by the Group for the past few years, the Subscriber will conduct a review of the financial position and operations of the Group. At present, there is no plan for the Subscriber to redeploy any fixed assets of the Group other than in its ordinary course of business. Although there is no plan to change the management structure and employees of the existing business save for the resignation of Directors after the close of the Offers if the Subscription Agreement becomes unconditional, new employees may be needed to help strengthening the corporate structure of the Group.

The Directors believe that, through completion of the Subscription Agreement, the Group could leverage on the financial and management resources in broadening the Group's business horizon and an extensive experience of China Sonangol International Limited, the shareholder of the Subscriber in the oil industry, trading and properties investment areas. In addition, Sonangol E.P., being indirectly interested in 30% of the Subscriber, is also believed to have strong industry network in the oil and natural resources businesses.

Proposed change of Board composition

Pursuant to the Subscription Agreement, the Offeror has the right to appoint up to 4 persons to the Board. It is presently expected that the Offeror will nominate new directors to replace all the existing Directors (including the independent non-executive Directors) and a new chairman or chief executive officer will be appointed to the Group. Any appointment of new directors to the Board will be made in full compliance with the requirements of the Takeovers Code. Particulars of the proposed Directors will be published in the announcement after completion of the Subscription Agreement.

Maintenance of the listing status of the Company

The Offeror intends that the Company shall remain listed on the Stock Exchange. The new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Offeror undertakes to the Stock Exchange that following the closing of the Offers, appropriate steps will be taken to ensure that not less than 25% of the Shares will be held by the public. When the Offers close, should there be less than 25% of the issued Shares in public hands, the Offeror will take appropriate steps which may include placing down part of their interests in the Company to independent third parties not connected with or acting in concert with the Offeror, its ultimate beneficial owners and associates, the directors, chief executives or substantial shareholders of the Company or any of their respective subsidiaries or any of their respective associates as soon as practicable after closing of the Offers. The Stock Exchange has stated that if at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

In this connection, it should be noted that upon completion of the Offers, there may be an insufficient public float for the Shares and, therefore, trading in the Shares may be suspended until a sufficient level of public float is attained.

Other arrangements

As at the date hereof, save for the Subscription Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which might be material to the Offers. Other than the Subscription Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST TWELVE MONTHS

Save for the options subscription agreement dated 24 August 2007 entered into between the Company and Mr. Wong Man Hin, Charles in relation to the grant of the Call Options, the Company has not carried out any other fund raising activities in the 12 months preceding the date of this announcement. The following table summarizes the details of the grant of the Call Options:

Date of announcement	Event	Approximate net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
28 August 2007	Grant of the Call Options to subscribe up to 60,895,000 Shares at HK\$1.165 per Share	HK\$0.6 million option fee has been received by the Group. HK\$70.9 million upon exercise of the Call Options in full has not been received by the Group (as at the date of this announcement, none of the Call Options has been exercised)	Net proceeds of HK\$70.9 million is intended to be 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	Option fee of HK\$0.6 million has been used for general working capital purpose. Not applicable for the net proceeds upon exercise of the Call Options (as at the date of this announcement, none of the Call Options has been exercised)

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER COMPLETION OF THE SUBSCRIPTION AGREEMENT

The following table illustrates the changes in the shareholding structure of the Company before and after Completion. The information in the table below has been prepared based on the register required to be kept by the Company under section 336 of the SFO as at date of this announcement, taking no account of the acceptances by Shareholders of the Offers.

	After the Completion											
	As at the date of the announcement		Before exercise of the conversion rights attaching to the Convertible Bond (Assuming no exercise of Call Options and Share Options)				Immediately after the exercise in full of the conversion rights attaching to the Convertible Bond (Assuming no exercise of Call Options and Share Options) (Note 2)		Before exercise of the conversion rights attaching to the Convertible Bond (Assuming full exercise of Call Options and Share Options)		Immediately after the exercise in full of the conversion rights attaching to the Convertible Bond (Assuming full exercise of Call Options and Share Options) (Note 2)	
			Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Marigold Worldwide Group Limited (Note 1)	119,184,300	39.14	119,184,300	16.92	119,184,300	6.99	119,184,300	15.39	119,184,300	6.72		
Call Option Holder	-	-	-	-	-	-	60,895,000	7.86	60,895,000	3.43		
Share Option Holders (Note 3)	-	-	-	-	-	-	9,129,570	1.18	9,129,570	0.51		
The Offeror, its ultimate beneficial owners and parties acting in concert with any one of them	-	-	400,000,000	56.78	1,400,000,000	82.14	400,000,000	51.65	1,400,000,000	78.90		
Public Shareholders	185,294,284	60.86	185,294,284	26.30	185,294,284	10.87	185,294,284	23.92	185,294,284	10.44		
Total	304,478,584	100.00	704,478,584	100.00	1,704,478,584	100.00	774,503,154	100.00	1,774,503,154	100.00		
Total public	185,294,284	60.86	185,294,284	26.30	304,478,584	17.86	249,234,069	32.18	368,418,369	20.76		

Notes:

- Marigold Worldwide Group Limited is wholly-owned by Mr. Yam Tak Cheung. Marigold Worldwide Group Limited will be treated as public Shareholder if it holds less than 10% of the issued share capital of the Company.
- This column is for illustration purpose only. Pursuant to the terms of the Convertible Bond, the conversion rights attaching to the Convertible Bond will not be exercised by the holder of the Convertible Bond and the Company will not issue the Conversion Shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.
- Upon full exercise of the Share Options, 3,044,785 new Shares will be issued to public Shareholders and the remaining 6,084,785 new Shares will be issued to certain Directors.

INFORMATION ON THE GROUP

The Company is an investment holding company. The principal activities of the Group are marketing and trading of clocks and other office related products, lighting products and trading of metals. For each of the two years ended 31 March 2006 and 2007, the Group recorded audited loss before tax of approximately HK\$70,595,000 and HK\$128,038,000 respectively, and audited loss attributable to equity holders of the Company of approximately HK\$72,149,000 and HK\$124,577,000 respectively. The unaudited equity attributable to equity holders of the Company as at 30 September 2007 was approximately HK\$44,631,000.

REASONS FOR THE SUBSCRIPTION AGREEMENT

The Group is principally engaged in marketing and trading of clocks and other office related products. As stated above, the Group has been suffering from losses for the last few years and its net asset base as a result has been decreasing over the years. As set out in the interim report of the Group for the six months ended 30 September 2007, the Group endeavors to broaden and expand its scope of business and income stream. In view of the prospects relating to natural resources generally, the Company believes that diversifying into this industry will be a sound strategy for the Company's business development. As set out under the paragraph headed "Information on and intentions of the Subscriber" above, Sonangol E.P., being indirectly interested in 30% of the Subscriber, is believed to have strong industry network in the oil and natural resources businesses. The Subscriber has indicated to the Board that it will treat its investment in the Company as long-term investment. The Directors believe that the Group would benefit from the Subscriber's financial and management resources and extensive experience in oil industry, trading and properties investment areas. The Directors consider that the issue of the Subscription Shares and the Convertible Bond to the Subscriber would enable the Group to leverage on the expertise and connection of the Subscriber and its direct and indirect shareholders in the natural resources industry, to which the Group currently does not have any access.

Since there is no specific plan or target to which the Company is committed at present, the Directors are of the view that without similar strategic value contributed by the Subscriber, the Company is not justified to afford the effort and cost to pursue other fund raising activities of similar size. In any case, without a concrete business plan and given the unsatisfactory financial performance of the Group and the recent volatile market conditions, the Directors consider that the Company would not be able to secure any arm's lengths underwriters to pursue equity fund raising exercises like rights issue or open offer, not to mention that the Company has in the past experienced difficulties in obtaining sizable bank loans because of

the lack of a sustainable profit trend. To this end, the Directors consider that even if bank borrowings or other debt securities could have been raised by the Group, they would not give any strategic investment value to the Group as that could be brought by the Subscriptions. In this light, the Directors consider these alternative fund raising exercises are not the appropriate course to take for the Company under the present circumstances. Accordingly, the Directors (including the independent non-executive Directors) consider that, rather than pursuing debt financing or other equity financing, it is in the interests of the Company and the Shareholders to secure investment commitment from the Subscriber by way of the Subscriptions.

The net proceeds from the Subscriptions are estimated to be approximately HK\$278 million. The Directors intend to use the net proceeds of HK\$240 million for future business investments particularly in the natural resources and/or PRC properties areas and the remaining balance of the proceeds will be used for recruitment of relevant new employees to strengthen the management team of the Company and for general working capital purposes. Although there is no specific plan or target to which the Company is committed at present, the Subscriptions provide an ample opportunity for the Group to raise a substantial amount of funding equipping it to tap into any promising investments and/or projects efficiently if opportunities arise.

The Directors note that the Subscription Price and the Conversion Price are at substantial discounts to the recent market prices of the Shares. However, taking note of the relatively thin net asset base of the Group and the losses it has recorded for the past few years, the Directors consider that the prevailing market prices are not supported by the fundamentals of the Group. In the circumstances, the Directors consider that net asset value should be more relevant benchmark in determining the issue price of Subscription Shares, in particular, for arm's length long-term investors. Accordingly, the Directors consider that the Subscription Price and the Conversion Price, representing approximately 36.1% over the Group's unaudited net asset value of approximately HK\$0.147 per Share as at 30 September 2007, represent favourable terms to the Company. The Directors therefore consider that the terms of the Subscription Agreement, including the Subscription Price and the Conversion Price, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Directors also take note that the Subscription Price and the Conversion Price are at substantial discount to the price for the Share Offer, at HK\$1.30 per Share. Given that the Subscription Agreement relates to the raising of new capital and funding for the Company, and the Shares subject to the Share Offer concern existing Shares which have no impact on the financial improvement of the Company, the Directors consider it is reasonable that there are difference in the Subscription Price and the Conversion Price on the one hand, and the price for the Share Offer on the other hand. The Share Offer price which was set with reference to the recent market price also provides an exit opportunity for the existing Shareholders who wish to realize their investments.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of the Subscription Agreement, the authorised share capital of the Company was HK\$90,000,000 divided into 900,000,000 Shares of HK\$0.10 each, of which 304,478,584 Shares have been issued and are fully paid or credited as fully paid. In order to cater for the issue of Subscription Shares and the Conversion Shares which may be issued upon conversion of the Convertible Bond, the Board proposes to increase the authorised share capital of the Company from HK\$90,000,000 divided into 900,000,000 Shares to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,100,000,000 unissued Shares. The proposed increase in authorised share capital is conditional upon the passing of an ordinary resolution by Shareholders at the SGM. No Shareholders are required to abstain from voting for this resolution.

DEALING DISCLOSURE

Associates of the Company, the Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them are reminded to disclose their dealings in any securities of the Company.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediates are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediates will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

The Subscription Agreement and the transactions contemplated thereunder, and the increase in authorised share capital of the Company will be conditional upon the passing by the Shareholders of necessary ordinary resolutions at the SGM.

A SGM will be held to consider and, if thought fit, approve the resolutions in respect of (i) the Subscription Agreement including the issue and allotment of the Subscription Shares, the issue of the Convertible Bond and the issue and allotment of the Conversion Shares; and (ii) the increase in authorised share capital of the Company. The Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them have no shareholding in the Company as at the date of this announcement. Should they become owners of any Shares prior to the holding of the SGM, they shall abstain from voting on the resolutions to be proposed at the SGM in relation to the Subscription Agreement and the transactions contemplated therein. Save as aforesaid, no Shareholders shall abstain from voting on the resolution to approve the Subscription Agreement at the SGM. No Shareholders shall abstain from voting on the resolution to approve the increase in authorised share capital at the SGM.

The Shareholders' approval in respect of the Subscription Agreement including the issue and allotment of the Subscription Shares, the issue of the Convertible Bond and the issue and allotment of the Conversion Shares is conditional on the approval on the increase in authorised share capital of the Company but not vice versa.

The Independent Board Committee will be formed to advise the Independent Shareholders in respect of the Offers. The Independent Financial Adviser will be appointed to advise the Independent Board Committee in this respect. An announcement will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed.

A circular containing further information regarding, among other things, the Subscription Agreement, the increase in authorised share capital together with the notice of the SGM will be despatched to Shareholders as soon as practicable.

Pursuant to Rule 8.2 of the Takeovers Code, the offer document in respect of the Offers is required to be despatched to the Shareholders within 21 days of the date of this announcement. The Company is required to send a response document in relation to the Offers to the Shareholders, the Call Option Holder and the Share Option Holders within 14 days of the posting of the offer document or such later date as the Executive may approve. It is the intention of the Offeror and the Company that subject to Completion having occurred, a composite offer and response document (and attaching thereto the acceptance and transfer forms) setting out details of the Offers and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offers will be jointly despatched by the Offeror and the Company to the Shareholders in accordance with the requirements of the Takeovers Code. An application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the composite document to within 7 days of completion of the Subscription Agreement.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The below statement is made at the request of the Stock Exchange.

The Directors have noted the increase in trading volume and price of Shares on 11 January 2008 and wish to state that save as disclosed in this announcement, (i) the Directors are not aware of any other reasons for the increase in the trading volume and price of the Shares; and (ii) the Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price sensitive nature.

This above statement is made by the order of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 2:30 p.m. on 11 January 2008 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 29 January 2008.

DEFINITIONS

“acting in concert”	has the same meaning as ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Baron”	Baron Capital Limited, a licensed corporation to carry out types 1 and 6 regulated activities (dealing in securities and advising on corporate finance) under the SFO
“Board”	the board of Directors
“business day”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Call Options”	the 60,895,000 call options granted by the Company to Mr. Wong Man Hin, Charles, pursuant to an option subscription agreement dated 24 August 2007 whereby the Call Option Holder has the rights to require, at any time during the option period, the Company to procure the delivery of one Share upon exercise of each call option (in total 60,895,000 Shares) by way of issuance and allotment of new Shares at the exercise price of HK\$1.165 per Share
“Call Option Holder”	Mr. Wong Man Hin, Charles, being the only holder of Call Options
“Call Option Offer”	the cash offer for the transfer of all outstanding Call Options to be made by the Offeror in accordance with the Takeovers Code
“Company”	Artfield Group Limited (stock code: 1229), a company incorporated in Bermuda with limited liability, and the shares of which are listed on the Stock Exchange

“Completion”	completion of the Subscription Agreement
“Completion Date”	three business days after all of the conditions of the Subscription Agreement have been fulfilled by the Company or, as the case may be, waived by the Subscriber (or such later date as the Company and the Offeror may agree in writing)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Conversion Price”	HK\$0.20 per Conversion Share (subject to adjustment)
“Conversion Shares”	the aggregate of 1,000,000,000 new Shares to be issued by the Company upon full conversion of the Convertible Bond
“Convertible Bond”	the convertible bond in the principal amount of HK\$200,000,000 to be issued by the Company to and subscribed by the Offeror upon completion of the Subscription Agreement
“Convertible Bond Subscription”	subscription of the Convertible Bond under the Subscription Agreement
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all of the independent non-executive Directors to be established to consider the Offers

“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company advising the Independent Board Committee and the Independent Shareholders on the Offers
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them
“Last Trading Day”	11 January 2008, being the last trading day prior to the suspension of trading of the Shares as from 2:30 p.m. on 11 January 2008 pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2008 (or such later date as the Company and the Subscriber may agree in writing)
“Maturity Date”	the last day for the Company to repay the outstanding amount under the Convertible Bond, that is a date falling 36 months from the date of issue of the Convertible Bond certificate. The date of issue of the Convertible Bond certificate will be the Completion Date
“Offeror” or “Subscriber”	Ascent Goal Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Offers”	together, the Share Offer, the Call Option Offer and the Share Option Offer
“PRC”	the People’s Republic of China
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“SGM”	the special general meeting (or any adjournment of such meeting) of the Company to be held to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder (including the issue and allotment of the Subscription Shares, the issue of the Convertible Bond, and the issue and allotment of the Conversion Shares); and the increase in authorised share capital of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Offer”	the cash offer to be made by the Offeror in accordance with the Takeovers Code for the existing issued Shares (other than the Shares which will be held by the Offeror, its ultimate beneficial owners and associates and parties acting in concert with any one of them)
“Share Options”	an aggregate of 9,129,570 share options granted by the Company pursuant to the share option scheme of the Company adopted on 28 August 2003
“Share Option Holders”	holders of the Share Options
“Share Option Offer”	the cash offer for the cancellation of all outstanding 9,129,570 Share Options to be made by the Offeror in accordance with the Takeovers Code
“Share Subscription”	subscription of the Subscription Shares by the Subscriber under the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement dated 15 January 2008 entered into between the Company as the issuer, the Offeror as the subscriber for the Subscription Shares and Convertible Bond

“Subscription Price”	HK\$0.20 per Subscription Share
“Subscription Share(s)”	400,000,000 new Shares, representing 56.78% of the enlarged issued share capital of the Company (immediately after Completion) to be subscribed for in cash consideration by the Offeror pursuant to and in accordance with the terms of the Subscription Agreement
“Subscriptions”	the Share Subscription and the Convertible Bond Subscription
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

By order of the Board
Ascent Goal Investments Limited
Lo Fong Hung
Sole Director

Hong Kong, 28 January 2008

As at the date of this announcement, the Board comprises Mr. Leung Heung Ying, Alvin (Managing Director), Ms. Chung Oi Ling, Stella and Mr. Lo Chi Ho, William as executive directors, and Mr. Lo Ming Chi, Charles, Mr. Orr Joseph Wai Shing and Mr. Wong Ngao San, Marcus as independent non-executive directors.

As at the date of this announcement, Ms. Lo Fong Hung is the sole director of the Offeror.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offeror and its future intention), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Offeror and its future intention) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to the Offeror and its future intention) the omission of which would make any such statement contained in this announcement misleading.

The information contained in this announcement relating to the Offeror and its future intention has been supplied by the sole director of the Offeror. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this announcement (other than those relating to the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to the Group) the omission of which would make any such statement contained in this announcement misleading.