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ARTFIELD GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1229)

ANNOUNCEMENT – MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

Financial Adviser to the Company



BRIDGE PARTNERS CAPITAL LIMITED

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that Lasting Power (a wholly-owned subsidiary of the Company) and SFID (an indirect wholly-owned subsidiary of Ming Kei) entered into the MOU after trading hours on 13 March 2009.

As the Possible Acquisition may or may not materialize, shareholders of the Company and/or potential investors should note that the Possible Acquisition may or may not proceed and should therefore exercise caution when dealing in the shares in the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 13 March 2009 (after trading hours), Lasting Power, a wholly-owned subsidiary of the Company, entered into the MOU with SFID, an indirect wholly-owned subsidiary of Ming Kei, pursuant to which Lasting Power intends to acquire and SFID intends to sell 51% equity interest in the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, SFID, Ming Kei and their respective ultimate beneficial owners are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

PRINCIPAL TERMS OF THE MOU:

(i) Due Diligence Review

Pursuant to the MOU, the Purchaser will commence the due diligence review and analysis of the Target Group and the Coal Mines as soon as practicable after the execution date of the MOU.

(ii) Earnest Money

Upon signing the MOU, the Purchaser shall deposit HK\$2 million as an earnest money (“**Earnest Money**”) into an escrow account with an escrow agent. In case the S&P Agreement is entered into, the Earnest Money will be applied as a deposit to settle part of the acquisition consideration at the date of execution of the S&P Agreement. In the event that the Possible Acquisition is not consummated for any reasons whatsoever, the escrow agent shall return the Earnest Money (together with interest) to the Purchaser.

(iii) Shareholders Agreement

The Purchaser and the Seller shall negotiate in good faith towards each other and enter into a shareholders’ agreement, which shall be in form and substance to the reasonable satisfaction of the Seller and the Purchaser, relating to the organization and governance of the Target Group upon completion of the Possible Acquisition.

(iv) Exclusivity

For a period of three (3) months from the date of the MOU, the Seller or Ming Kei or any of their holding companies or affiliates or related entities will not (i) enter into any agreement or conduct discussions or negotiations with any other person or entity (other than with the Purchaser or its affiliates) for the purpose of procuring investment from such other person or entity; or (ii) participate (other than with the Purchaser or its affiliates) in any form or manner in the Possible Acquisition or any other transaction that would be the same as or similar to the Possible Acquisition.

(v) Termination

The MOU shall be terminated and be of no force and effect on the earlier of (i) the execution date of the S&P Agreement for the Possible Acquisition; or (ii) the lapse of a period of three (3) months from the date of the MOU; or (iii) any other date as the parties to the MOU may agree in writing.

As at the date of this announcement, no definitive terms have been agreed and no legally binding agreement has been entered into between Lasting Power and SFID in respect of the Possible Acquisition. Save for the provisions relating to the Earnest Money, exclusivity, confidentiality, costs and expenses, counterpart execution, amendment, termination and governing laws of the MOU, other terms of the MOU are not legally binding which do not create any legal obligation on the parties to the MOU.

INFORMATION ON THE TARGET GROUP

The Target Company, through its wholly-owned subsidiaries, is the beneficial owner of the entire interests in the mining rights (採礦許可證) granted by the relevant PRC authorities to conduct mining activities in the Kaiyuan Open Pit Coal Mine (凱源露天煤礦) and the exploration permit (礦產資源勘查許可證) granted by the relevant PRC authorities to conduct exploration activities in the Zexu Open Pit Coal Mine (澤旭露天煤礦). The Coal Mines are open pit coal mines and situated at Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region (新疆維吾爾自治區奇台縣北塔山).

As at the date of this announcement, the Target Company directly holds 100% equity interests in Ming Kei Kai Yuan Investment Company Limited, a limited company incorporated in Hong Kong, which in turn holds 100% equity interests in 木壘縣凱源煤炭有限責任公司 (transliterated as Mulei County Kai Yuan Company Limited), which in turn holds 100% equity interests in 奇台縣澤旭商貿有限責任公司 (transliterated as Qitai County Zexu Trading Company Limited).

GENERAL

Where a formal and legally binding agreement is entered into, the Possible Acquisition may constitute a notifiable transaction for the Company under the Listing Rules. All the terms and conditions of the S&P Agreement are still under negotiation among the parties thereto. Further announcement will be made by the Company as and when appropriate, if necessary, pursuant to the Listing Rules. **As the Possible Acquisition may or may not materialize, shareholders of the Company and/or potential investors should note that the Possible Acquisition may or may not proceed and should therefore exercise caution when dealing in the shares of the Company.**

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	the board of Directors
“Coal Mines”	Kaiyuan Open Pit Coal Mine (凱源露天煤礦) and Zexu Open Pit Coal Mine (澤旭露天煤礦), both are situated at Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region (新疆維吾爾自治區奇台縣北塔山)
“Company”	Artfield Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company, including the independent non-executive directors
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Lasting Power” or “Purchaser”	Lasting Power Investments Limited (力恒投資有限公司), a wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“Ming Kei”	Ming Kei Energy Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8239)
“MOU”	the memorandum of understanding entered into between the Purchaser and the Seller on 13 March 2009 in respect of the Possible Acquisition
“Possible Acquisition”	the possible acquisition of 51% equity interest in the Target Company by the Purchaser
“PRC”	The People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“S&P Agreement”	the formal sale and purchase agreement in respect of the acquisition of 51% equity interest in the Target Company by the Purchaser
“SFID” or “Seller”	Star Fortune International Development Company Limited (星力富鑫國際發展有限公司), an indirect wholly-owned subsidiary of Ming Kei
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Star Fortune International Investment Company Limited (星力富鑫國際投資有限公司), a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Seller
“Target Group”	the Target Company and its subsidiaries, and details of which are disclosed in the section headed “Information on the Target Group” of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
Artfield Group Limited
Kwan Man Fai
Executive Director

Hong Kong, 13 March 2009

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Lo Fong Hung, Mr. Wang Xiangfei and Mr. Kwan Man Fai, and three independent non-executive Directors, namely Mr. Wong Man Hin, Raymond, Mr. Lam Ka Wai, Graham and Mr. Chan Yiu Fai, Youdey.