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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

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### **ARTFIELD GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1229)**

**(1) GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE SHARES  
(2) RE-ELECTION OF DIRECTORS  
(3) REFRESHMENT OF SCHEME MANDATE LIMIT  
(4) AMENDMENTS TO BYE-LAWS  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Artfield Group Limited to be held at Suites 1003-1006, 10/F., Two Pacific Place, 88 Queensway, Hong Kong on Tuesday, 2 September 2008 at 11:00 a.m. is set out on pages 18 to 23 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Rooms 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof if you so wish.

31 July 2008

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Suites 1003-1006, 10/F., Two Pacific Place, 88 Queensway, Hong Kong on Tuesday, 2 September 2008 at 11:00 a.m., notice of which is set out on pages 18 to 23 of this circular
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Artfield Group Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Convertible Bond”	the convertible bond in the principal amount of HK\$200,000,000 issued by the Company to and subscribed by Ascent Goal Investments Limited, the substantial shareholder of the Company, on 14 March 2008
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	28 July 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

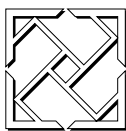
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“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other such schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Share Option Scheme”	the share option scheme adopted by the Shareholders at the annual general meeting of the Company on 28 August 2003
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## LETTER FROM THE BOARD

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### ARTFIELD GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1229)**

*Directors:*

Ms. Lo Fong Hung

*(Chairperson and Managing Director)*

Mr. Wang Xiangfei

Mr. Kwan Man Fai

Mr. Lam Ka Wai, Graham<sup>#</sup>

Mr. Wong Man Hin, Raymond<sup>#</sup>

Mr. Chan Yiu Fai, Youdey<sup>#</sup>

<sup>#</sup> *Independent non-executive Director*

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of business:*

Suites 1003-1006, 10/F.,

Two Pacific Place,

88 Queensway,

Hong Kong

31 July 2008

*To the Shareholders*

Dear Sir or Madam

**(1) GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE SHARES**

**(2) RE-ELECTION OF DIRECTORS**

**(3) REFRESHMENT OF SCHEME MANDATE LIMIT**

**(4) AMENDMENTS TO BYE-LAWS**

**AND**

**(5) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information with respect to the ordinary resolutions and special resolution to be proposed at the forthcoming AGM to be held on 2 September 2008 relating to, among other things, (i) the general mandates to repurchase Shares and to issue Shares by the Company; (ii) the re-election of Directors; (iii) the refreshment of the Scheme Mandate Limit and (iv) the amendments to the Bye-laws.

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## LETTER FROM THE BOARD

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### **2. GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES**

At the last annual general meeting of the Company held on 28 August 2007, resolutions were passed granting general mandates to the Directors to exercise all powers of the Company to issue and to repurchase Shares. Such general mandates will lapse at the conclusion of the forthcoming AGM. Ordinary resolutions will therefore be proposed at the forthcoming AGM to grant to the Directors general mandates as follows:

- (1) to allot, issue or deal with Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the proposed resolution at the AGM; and
- (2) to purchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM.

The Directors will also propose a separate ordinary resolution at the AGM to add to the general mandate to issue those Shares purchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

An explanatory statement relating to the general mandate to repurchase Shares is set out in Appendix I to this circular.

### **3. RE-ELECTION OF DIRECTORS**

In accordance with the Bye-law 86(2), Ms. Lo Fong Hung, Mr. Wang Xiangfei, Mr. Kwan Man Fai, Mr. Lam Ka Wai, Graham, Mr. Wong Man Hin, Raymond and Mr. Chan Yiu Fai, Youdey, Directors appointed by the Board during the year, shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election at that meeting. Being eligible, Ms. Lo Fong Hung, Mr. Wang Xiangfei, Mr. Kwan Man Fai, Mr. Lam Ka Wai, Graham, Mr. Wong Man Hin, Raymond and Mr. Chan Yiu Fai, Youdey offer themselves for re-election as Directors at the AGM. Details of the above Directors are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### **4. REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER SHARE OPTION SCHEME**

The Share Option Scheme adopted by the Shareholders at the annual general meeting of the Company on 28 August 2003, pursuant to which the maximum number of ordinary Shares which may be allotted and issued under the Scheme Mandate Limit is 24,053,950, being 10% of the total number of Shares in issue as at the adoption date of the Share Option Scheme. As at the Latest Practicable Date, the Company has no other share option scheme in effect except the Share Option Scheme, and the Company has no other options, warrants or securities convertible into shares of the Company except the Convertible Bond issued on 14 March 2008.

At the annual general meeting of the Company held on 28 August 2007, the Scheme Mandate Limit was refreshed so that the total number of Shares which may fall to be issued upon the exercise of all options to be granted under the Share Option Scheme or other schemes shall not exceed 30,447,858 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting held on 28 August 2007. From 28 August 2007 to the Latest Practicable Date, 9,129,570 options were granted under the Share Option Scheme and 9,129,570 options were cancelled, and no options under the Share Option Scheme were outstanding as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company's issued share capital has been increased to 765,373,584 Shares. The existing Scheme Mandate Limit only represents approximately 3.978% of the issued share capital of the Company. The Company wishes to take this opportunity to seek the Shareholders' approval to refresh the Scheme Mandate Limit at the AGM, subject to the requirements under the Listing Rules.

Under the Listing Rules, the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of shares in issue as at the date of the Shareholders' approval of the refreshment of the Scheme Mandate Limit; and for the purpose of calculating the Scheme Mandate Limit as refreshed, options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those exercised, outstanding, cancelled, or lapsed in accordance with the relevant scheme rules) shall not be counted.

Furthermore, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

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## LETTER FROM THE BOARD

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If the refreshment of the Scheme Mandate Limit is approved by the Shareholders at the AGM, based on 765,373,584 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued and no Shares will be repurchased after the Latest Practicable Date and up to the date of the AGM, the Company may grant further options carrying rights to subscribe for up to a total of 76,537,358 Shares under the Share Option Scheme (representing 10% of the issued share capital of the Company as at the date of the AGM).

The Board considers that the Share Option Scheme will continue to be an important tool for providing incentives and rewards to participants for their contribution to the Group, and the refreshment of the Scheme Mandate Limit will enable the Company to maximise the use of the Share Option Scheme. Thus, the Board considers that refreshment of the Scheme Mandate Limit is in the interests of the Company and its Shareholders as a whole.

The refreshment of the Scheme Mandate Limit is conditional on:

- (a) the passing of the necessary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares representing 10% of the Shares in issue as at the date of the AGM, which may be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

### **5. AMENDMENTS TO BYE-LAWS**

To cater for the increasing demand from investors holding Shares of the Company through CCASS for attending the shareholders' meetings of the Company in person or appointing proxies to vote on their behalf and as requested by the Stock Exchange, the Board proposes to put forward a special resolution to the Shareholders for approval at the AGM such that the existing Bye-law 84(2) will be amended to cope with such demand. In order to correct a typo error, the existing Bye-law 127(1) is also proposed to be amended.

The proposed amendments to the Bye-laws are set out in the notice of the AGM which is set out on pages 18 to 23 of this circular.



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## LETTER FROM THE BOARD

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### 6. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 18 to 23 of this circular. At the AGM, ordinary resolutions will be proposed to approve, among other things, (i) the general mandates to repurchase Shares and to issue Shares by the Company; (ii) the re-election of Directors and (iii) the refreshment of Scheme Mandate Limit. In addition, a special resolution will be proposed to approve the amendments to the Bye-laws.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instruction printed thereon and return the same to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Rooms 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof if you so wish.

### 7. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

According to Bye-law 66, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of such meeting; or
- (ii) at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of AGM are in the best interests of the Company and the Shareholders as a whole, and so recommend Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### 9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text shall prevail over the Chinese text in this circular.

Yours faithfully  
For and on behalf of the Board  
**Artfield Group Limited**  
**Kwan Man Fai**  
*Executive Director*

*The following is an explanatory statement required by the Listing Rules relating to the general mandate to repurchase Shares (the “Share Repurchase Mandate”) proposed to be granted to the Directors.*

## **1. LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised below:

The Listing Rules provide that repurchases of securities of such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by a specific approval of a particular transaction and that the securities to be purchased must be fully paid up.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 765,373,584 Shares.

Subject to the passing of the ordinary resolution granting the Share Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed to repurchase a maximum of 76,537,358 Shares, representing 10% of the issued share capital of the Company as at the date of passing the resolution.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company intends to apply funds from the Company’s internal resources legally available for such purpose in accordance with its memorandum of association, its Bye-laws and the laws of Bermuda.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2008) in the event that the Share Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent, as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company, which in the opinion of the Directors are from time to time appropriate for the Company.

**4. REASON FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to purchase Shares on the market. Such purchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earning per Share and will only be made when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole.

**5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and Bye-laws of the Company.

**6. EFFECT OF TAKEOVERS CODE**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Ascent Goal Investments Limited, which held approximately 87.10% of the issued share capital of the Company, was the only substantial Shareholder. In the event that the Directors should exercise in full the powers to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Ascent Goal Investments Limited in the Company would be increased to approximately 96.77% of the issued share capital of the Company and such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent that it would result in such takeover obligations. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Share Repurchase Mandate.

As mentioned above, Ascent Goal Investments Limited currently holds approximately 87.10% of the issued share capital of the Company. As at the date hereof, so far as the Company is aware, there were 98,748,995 Shares in the hands of the public, representing approximately 12.90% of the issued share capital of the Company. Since less than 25% of the Shares is held by the public, the Company has applied for and the Stock Exchange has granted the Company a waiver for a period from 10 April 2008 to 15 August 2008 from strict compliance with the minimum public float requirement under Rule 8.08 of the Listing Rules.

In order to restore the 25% minimum public float in the Shares, Ascent Goal Investments Limited has entered into a placing agreement with China Everbright Securities (HK) Limited on 12 June 2008 for the placing (the “Placing”), on a best-effort basis, of up to 120,000,000 Shares (the “Placing Shares”) held by Ascent Goal Investments Limited at a placing price of HK\$1.30 per Placing Share. The Placing is expected to be completed on 12 August 2008.

The trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 11 April 2008. The Company will make an application to the Stock Exchange to resume trading in the Shares on the Stock Exchange once completion of the Placing has taken place and the 25% minimum public float in the Shares has been restored.

For details regarding the abovementioned minimum public float in the Shares and the Placing, please refer to the Company’s announcements dated 10 April 2008, 12 June 2008 and 10 July 2008.

The Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

## **7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention, in the event that the relevant proposed resolution is approved by Shareholders in the AGM, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

**8. SHARE REPURCHASES MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**9. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:–

	<b>Price per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2007</b>		
July	2.2500	1.0400
August	1.9800	1.0200
September	1.4300	1.1300
October	1.4300	1.0200
November	1.9000	1.2600
December	1.6700	1.1500
<b>2008</b>		
January	1.6400	1.1800
February	1.3800	1.1700
March	1.3000	1.2000
April	1.3000	1.2700
May	Suspended	Suspended
June	Suspended	Suspended
July (up to the Latest Practicable Date)	Suspended	Suspended

*Pursuant to the Listing Rules, the details of the Directors, who, being eligible, will offer themselves for re-election at the AGM, are set out below:–*

**Ms. Lo Fong Hung**, aged 53, is the Chairperson and Managing Director of the Company. Ms. Lo was appointed as an executive Director of the Company on 25 March 2008. She also serves for several non-listed companies, namely as the chairperson of China International Fund Limited and as the vice chairperson of China Sonangol International Holding Limited, China Sonangol International Limited and Endiama China International Holding Limited. Ms. Lo is also a director of several non-listed companies, namely Sonangol Sinopec International Limited, Dayuan International Development Limited, New Bright International Development Limited, World Pro Development Limited, World Noble Holdings Limited, CSG Automobile Limited and China Sonangol Asset Management Limited. Since 2004, Ms. Lo has served as the chairperson of China Beiya Escom International Limited, a non-listed company in Hong Kong and started exploring and developing energy resources and industrial investment in Latin America and Africa. Ms. Lo is the spouse of Mr. Wang Xiangfei.

Ms. Lo has entered into a service contract with the Company for a term of three years commencing from 25 March 2008. She is entitled to a director's emolument of HK\$240,000 per annum and may be entitled to an annual management bonus of a sum to be determined by the Board at its discretion and limited to 5% of the consolidated net profits after taxation and minority interests but before extraordinary items as shown in the Group's audited consolidated accounts for that financial year, which was determined with reference to her duties and responsibilities in the Company.

Saved as disclosed above, Ms. Lo does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Ms. Lo had not held any directorships in any other listed public companies in the last three years and she does not hold any other position in the Group.

As at the Latest Practicable Date, Ms. Lo ultimately and beneficially owns 30% shareholding interest in New Bright International Development Limited, which currently holds 70% of China Sonangol International Limited. China Sonangol International Limited is the holding company of Ascent Goal Investments Limited which holds 87.10% shareholding interest in the Company and the Convertible Bond, upon full conversion of which 1,000,000,000 new Shares will be issued. Save as disclosed above, Ms. Lo does not have any interests in the securities in the Company within the meaning of part XV of the SFO.

**Mr. Wang Xiangfei**, aged 56, is an executive Director of the Company appointed on 25 March 2008. He graduated from Renmin University of China with a bachelor degree in economics in 1982. Apart from serving the Company as an executive Director, Mr. Wang also serves for several non-listed companies, namely as the vice chief financial officer of Sonangol Sinopec International Limited and as the financial advisor to China Sonangol International Holding Limited. Mr. Wang is currently an independent non-executive director of several listed companies in Hong Kong, namely Chongqing Iron & Steel Company Limited, China CITIC Bank Corporation Limited and SEEC Media Group Limited. Previously, Mr. Wang had also served as an independent non-executive director of Plus Holdings Limited and Tianjin Capital Environmental Protection Company Limited, and as an executive director of China Everbright International Limited, China Everbright Limited, HKC (Holdings) Limited and China Haidian Holdings Limited. Mr. Wang is the spouse of Ms. Lo Fong Hung.

Mr. Wang has entered into a service contract with the Company for a term of three years commencing from 25 March 2008. He is entitled to a director's emolument of HK\$240,000 per annum and may be entitled to an annual management bonus of a sum to be determined by the Board at its discretion and limited to 5% of the consolidated net profits after taxation and minority interests but before extraordinary items as shown in the Group's audited consolidated accounts for that financial year, which was determined with reference to his duties and responsibilities in the Company.

Saved as disclosed above, Mr. Wang does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Mr. Wang had not held any directorships in any other listed public companies in the last three years and he does not hold any other position in the Group.

As at the Latest Practicable Date, Mr. Wang is the spouse of Ms. Lo Fong Hung and is deemed to own 30% shareholding interest in New Bright International Development Limited, which currently holds 70% of China Sonangol International Limited. China Sonangol International Limited is the holding company of Ascent Goal Investments Limited which holds 87.10% shareholding interest in the Company and the Convertible Bond, upon full conversion of which 1,000,000,000 new Shares will be issued. Saved as disclosed above, Mr. Wang does not have any interests in the securities in the Company within the meaning of Part XV of the SFO.



**Mr. Kwan Man Fai**, aged 39, is an executive director of the Company appointed on 25 March 2008. He graduated from the University of Hong Kong with a bachelor degree in laws and a postgraduate certificate in laws. Mr. Kwan also holds a master degree in laws from The London School of Economics and Social Sciences, the University of London and a master degree in the PRC law from the City University of Hong Kong. Mr. Kwan was a partner of Messrs. Li & Partners, a law firm in Hong Kong from August 1999 to April 2008 and now remains as a consultant of Messrs. Li & Partners. Mr. Kwan has over ten years of experience in corporate finance and banking work, including assisting various companies in their listing on the Main Board and Growth Enterprise Market of the Stock Exchange.

Mr. Kwan was an independent non-executive director of The Sun's Group Limited (the "**Sun's Group**") (Stock Code: 0988) during the period from 16 October 2002 to 28 February 2003. The Sun's Group is a company incorporated in Bermuda and is principally engaged in property investment, development and management and hotel operation. Pursuant to an announcement dated 14 April 2003 issued by the Sun's Group, the Sun's Group received winding up petitions on 11 April 2003 (within 12 months after Mr. Kwan's resignation) filed with the High Court of Hong Kong ("**High Court**") by the former director of the Sun's Group, Mr. Wong Kwan and his wholly-owned subsidiary, Charcon Assets Limited, respectively against the Sun's Group and its subsidiaries claiming outstanding remunerations and loans aggregated to a sum of HK\$61,884,635.07 plus all interest accrued after their due dates or drawdown date. According to the Sun's Group announcement dated 28 September 2006, pursuant to two orders of the High Court dated 20 September 2006, the said petitions were dismissed and the provisional liquidators appointed were discharged.

Mr. Kwan has entered into a service contract with the Company for a term of three years commencing from 25 March 2008. He is entitled to a director's emolument of HK\$240,000 per annum and may be entitled to an annual management bonus of a sum to be determined by the Board at its discretion and limited to 5% of the consolidated net profits after taxation and minority interests but before extraordinary items as shown in the Group's audited consolidated accounts for that financial year, which was determined with reference to his duties and responsibilities in the Company.

Mr. Kwan does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Mr. Kwan had not held any directorships in any other listed public companies in the last three years and he does not hold any other position in the Group.

As at the Latest Practicable Date, Mr. Kwan does not have any interests in the securities in the Company within the meaning of Part XV of the SFO.

**Mr. Lam Ka Wai, Graham**, aged 40, is an independent non-executive Director of the Company appointed on 25 March 2008. He graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lam is currently a managing director and a head of corporate finance department of an investment bank and has around 14 years experience in investment banking as well as around 4 years experience in accounting and auditing. He is also an independent non-executive director of Cheuk Nang (Holdings) Limited, Applied Development Holdings Limited, China Conservational Power Holdings Limited and ZZNode Technologies Company Limited, all of which are companies listed on the Main Board of the Stock Exchange.

Mr. Lam has entered into a service contract with the Company for a term of three years commencing from 25 March 2008. He is entitled to a director's emolument of HK\$240,000 per annum, which was determined with reference to his duties and responsibilities in the Company and the market rate for the position.

Mr. Lam does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Mr. Lam had not held any directorships in any other listed public companies in the last three years and he does not hold any other position in the Group.

As at the Latest Practicable Date, Mr. Lam does not have any interests in the securities in the Company within the meaning of Part XV of the SFO.

**Mr. Wong Man Hin, Raymond**, aged 42, is an independent non-executive Director of the Company appointed on 25 March 2008. He is a member of American Institute of Certified Public Accountants, a Certified Management Accountant (CMA) and holds a certificate in financial management (CFM). Mr. Wong holds a bachelor degree in chemical engineering and a master degree in economics. Mr. Wong is an executive director and deputy chairman of Raymond Industrial Limited, a company listed on the Main Board of the Stock Exchange. He is the independent non-executive director of Fulbond Holdings Limited and BEP International Holdings Limited (both companies listed on the Main Board of the Stock Exchange). He was an independent non-executive director of Era Information & Entertainment Limited (a company listed on the Growth Enterprise Market of the Stock Exchange) during the period from August 2007 to February 2008.

Mr. Wong has entered into a service contract with the Company for a term of three years commencing from 25 March 2008. He is entitled to a director's emolument of HK\$240,000 per annum, which was determined with reference to his duties and responsibilities in the Company and the market rate for the position.

Mr. Wong does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Mr. Wong had not held any directorships in any other listed public companies in the last three years and he does not hold any other position in the Group.

As at the Latest Practicable Date, Mr. Wong does not have any interests in the securities in the Company within the meaning of Part XV of the SFO.

**Mr. Chan Yiu Fai, Youdey**, aged 39, is an independent non-executive Director of the Company appointed on 25 March 2008. He graduated from the University of Hong Kong with a bachelor degree in laws and a postgraduate certificate in laws. Mr. Chan also holds master degrees in laws from the City University of Hong Kong and from the People's University of China. Mr. Chan is currently a partner of Messrs. David Y.Y. Fung & Co., a law firm in Hong Kong. Mr. Chan has extensive experience in civil and commercial crime litigation and also handles various transactions for corporate clients and banks in Hong Kong.

Mr. Chan has entered into a service contract with the Company for a term of three years commencing from 25 March 2008. He is entitled to a director's emolument of HK\$240,000 per annum, which was determined with reference to his duties and responsibilities in the Company and the market rate for the position.

Mr. Chan does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, Mr. Chan had not held any directorships in any other listed public companies in the last three years and he does not hold any other position in the Group.

As at the Latest Practicable Date, Mr. Chan does not have any interests in the securities in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters in relation to the re-elections of Ms. Lo Fong Hung, Mr. Wang Xiangfei, Mr. Kwan Man Fai, Mr. Lam Ka Wai, Graham, Mr. Wong Man Hin, Raymond and Mr. Chan Yiu Fai, Youdey (together defined as "Directors for Re-election") that need to be brought to the attention of the Stock Exchange or the Shareholders. There is no information relating to all the Directors for Re-election that is required to be disclosed pursuant to Rule 13.5(2)(h) to (v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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### ARTFIELD GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1229)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Artfield Group Limited (the “Company”) will be held at Suites 1003-1006, 10/F., Two Pacific Place, 88 Queensway, Hong Kong on Tuesday, 2 September 2008 at 11:00 a.m. for the following purposes:

1. To consider and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 March 2008;
2. To re-elect the retiring Directors, Ms. Lo Fong Hung, Mr. Wang Xiangfei, Mr. Kwan Man Fai, Mr. Lam Ka Wai, Graham, Mr. Wong Man Hin, Raymond and Mr. Chan Yiu Fai, Youdey, and to authorise the board of directors (the “**Board**”) of the Company to fix the directors’ remuneration;
3. To re-appoint Messrs. Shingwing (HK) CPA Limited as auditors of the Company and to authorise the Board to fix their remuneration;
4. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT**

- (A) subject to paragraph (B) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Future Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or any other stock exchange as amended from time to time, be and is hereby, generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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(B) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the authority pursuant to paragraph (A) of this resolution shall be limited accordingly; and

(C) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”.

5. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT**

(A) subject to paragraph (C) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements, options which might require the exercise of such powers be and is hereby, generally and unconditionally approved;

(B) the approval in paragraph (A) of this resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options which might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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(C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the Directors of the Company pursuant to the approval in paragraph (A) of this resolution, otherwise than pursuant to (i) a Right Issue (as hereafter defined), or (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted by the Company and/or its subsidiaries for the grant or issue of shares or rights to acquire shares in the capital of the Company, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

(D) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of shares or issue of options to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognised regulatory body or any stock exchange, in any territory applicable to the Company).

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## NOTICE OF ANNUAL GENERAL MEETING

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6. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** the general mandate granted to the Directors of the Company pursuant to resolution numbered 5 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares since the granting of such general mandate referred to in the above resolution numbered 5, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”

7. As special business, to consider and, if thought fit, pass, with or without modification, the following resolution as an ordinary resolution of the Company:

“**THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in such number of ordinary shares in the capital of the Company representing 10% of the ordinary shares in issue as at the date of passing this resolution, which may be issued pursuant to exercise of options to be granted under the Refreshed Scheme Mandate Limit (as defined below), the existing scheme mandate limit under the share option scheme adopted by the Company on 28 August 2003 (“**Share Option Scheme**”) be refreshed so that the number of ordinary shares to be allotted and issued pursuant to the exercise of the options under the Share Option Scheme and other share option scheme(s) of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised) shall not exceed 10% of the ordinary shares in issue as at the date of the passing of this resolution (“**Refreshed Scheme Mandate Limit**”) and that any Director be and are hereby authorised to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. As special business, to consider and, if thought fit, pass, with or without modification, the following resolution as a special resolution of the Company:

(A) “**THAT** the Bye-laws of the Company be amended in the following manner:

**(i) Bye-law 84(2)**

By deleting the existing bye-law 84(2) in its entirety and substituting therefor the following:–

“Where a Member and/or warrant holder is a clearing house or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any Members’ meetings or any meetings of any class of Members and/or warrant holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the clearing house as that clearing house or its nominee(s) could exercise if it were an individual Members and/or warrant holder of the Company.”

**(ii) Bye-law 127(1)**

By amending the existing bye-law 127(1) “The officers of the Company shall consist of a the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye-laws.” to read as follows:

“The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye-laws.”



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## NOTICE OF ANNUAL GENERAL MEETING

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- (B) “**THAT** the new Bye-laws, consolidating all of the proposed amendments referred to in this resolution 8, in the form produced to the meeting be and are hereby adopted with immediate effect in replacement of the existing Bye-laws.”

By Order of the Board  
**Kwan Man Fai**  
*Executive Director*

Hong Kong, 31 July 2008

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Hong Kong branch share registrar, Union Registrars Limited, at Rooms 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time for holding of the meeting or adjourned meeting.
3. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting (or any adjournment thereof) if you so wish.