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ARTFIELD GROUP LIMITED

雅域集團有限公司*

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

The directors of Artfield Group Limited (the “Company”) have noted the Securities and Futures Commission (the “SFC”) has conducted a review on the holding of the Company’s warrants W0403 (the “Warrants”) as at 13 September 2002. This announcement is made in respect of the high concentration of holding of the Warrants within a limited number of holders as at 13 September 2002.

The directors of the Company (the “Board”) wish to remind that the warrant holders and potential investors of the Company are advised to exercise extreme caution when dealing in the Warrants of the Company.

The Board was informed by the Stock Exchange on 25 October 2002 that on the basis of the review provided by the SFC, as at 13 September 2002, an aggregate of around 47,710,000 units of the Warrants were being held by the five overseas funds, which represented 98.25% of the total issued units of Warrants and estimated only 1.75% of the total issued units of Warrants leaving in the hands of other small investors. The Board wishes to state that it is not aware of any reason for such high concentration of holding of the Warrants within a limited number of holders.

As at 13 September 2002 and announcement date, the interests in the ordinary shares of HK\$0.10 each (the “Shares”) of the Company were recorded as follows:–

	As at 13 September 2002		As at Announcement Date	
	Units of Shares held (Units)	% of total issued units of Shares (%)	Units of Shares held (Units)	% of total issued units of Shares (%)
Liang Jin You (Note 1)	119,184,300	49.1	119,184,300	49.3
Other public investors	123,623,200	50.9	122,661,200	50.7
Total	<u>242,807,500</u>	<u>100.0</u>	<u>241,845,500</u>	<u>100.0</u>

(Note 2)

Notes:

- (1) As at 13 September 2002, Golden Glory Group Limited (“GG”), whose sole director and ultimate 100% beneficial owner is Mr. Liang Jin You, a director of the Company, who held 119,184,300 Shares (approximately 49.1% of the issued share capital of the Company), was the only substantial shareholder of the Company (according to the register maintained by the Company pursuant to the Securities (Disclosure of Interests) Ordinance).
- (2) During the period from 2 October 2002 to 17 October 2002, the Company repurchased 962,000 Shares on the Stock Exchange and there were in issue an aggregate of 241,845,500 Shares of the Company as at announcement date.

As at 13 September 2002 and announcement date, the interests in the Warrants of the Company were recorded as follows:–

	Units of Warrants held (Units)	% of total issued units of Warrants (%)
Five overseas funds	47,710,000	98.25
Other public investors	851,500	1.75
Total	<u>48,561,500</u>	<u>100.00</u>

GG has confirmed to the Board that there has been no change to the shareholding of the substantial shareholder of the Company since 13 September 2002 to the date of this announcement. Having made enquiries of the directors and the substantial shareholder of the Company regarding the interests of the Company’s connected persons in the Warrants of the Company as at the close of business on 13 September 2002 to the date of this announcement, each of the directors and the substantial shareholder of the Company has confirmed that he has no interest, whether held directly himself or through HKSCC Nominees Limited in the Warrants of the Company.

Although as at 13 September 2002 to the date of this announcement, sufficient shares of the Company were held by the public in compliance with Rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange, yet given that the concentration in the holding of the Warrants of the Company in hands of a limited number of warrant holders on that day, the Company hereby makes this announcement to keep the market promptly informed.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

The directors of the Company individually and jointly accept responsibility for the accuracy of the information of contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The warrant holders and the potential investors of the Company are advised to exercise extreme caution when dealing in the Warrants of the Company.

By Order of the Board
LIANG JIN YOU
Chairman

Hong Kong, 1 November 2002

* *for identification only*

“Please also refer to the published version of this announcement in The Standard”.