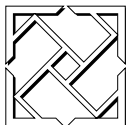

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, bank manager, registered institution in securities, 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 to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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.



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1229)

**CONTINUING CONNECTED TRANSACTION
AND
DISCLOSEABLE TRANSACTION**

Financial Adviser to the Company

BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

A letter from the board of directors of Artfield Group Limited is set out on pages 3 to 6 of this circular.

7 August 2008

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Services Agreement	4
Annual Caps	5
Reasons for the Transaction	5
Financial Effects to the Company	5
Information of the Group and China Sonangol	6
Listing Rules Implications	6
Additional Information	6
Appendix – General Information	7

DEFINITIONS

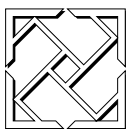
In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“China Sonangol”	China Sonangol International Limited, a company incorporated in Hong Kong with limited liability and the holding company of Ascent Goal Investments Limited, the controlling shareholder of the Company;
“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 same meaning ascribed to it under the Listing Rules;
“Continuing Connected Transaction”	the continuing connected transaction contemplated under the Services Agreement;
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	The Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	Shareholders other than Ascent Goal Investments Limited, China Sonangol and their respective associates;
“Latest Practicable Date”	5 August 2008, being the latest practicable date before the printing of this circular for ascertaining certain information;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratio”	has the same meaning ascribed to it under the Listing Rules, as application to a transaction;

DEFINITIONS

“Services”	the services provided by the Company to China Sonangol under the Services Agreement including providing market analysis in respect of oil trading business in order to support sales & marketing efforts; providing news clipping services to provide information related to oil trading business for sales & marketing efforts; analyzing background and credibility of buyers in oil trading transactions; preparing sales report for oil trading transactions; collecting documents related to loading details in oil trading transactions; vetting the receipts of shipping documents and bill of lading in oil trading transactions; preparing invoices related to oil trading transactions; monitoring the account receivables related to oil trading transactions and providing accounting services related to oil trading transactions, including book keeping and preparation of relevant management reports related to the abovementioned services;
“Services Agreement”	the services agreement entered into between the Company and China Sonangol on 11 July 2008 in relation to the provision of Services by the Company to China Sonangol;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued capital of the Company;
“Shareholder(s)”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

LETTER FROM THE BOARD



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[#]

Mr. Wong Man Hin, Raymond[#]

Mr. Chan Yiu Fai, Youdey[#]

[#] *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

7 August 2008

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

INTRODUCTION

Reference is made to the Company's announcement dated 17 July 2008 published on the Company's website and the website of the Stock Exchange.

On 11 July 2008, the Company entered into the Services Agreement with China Sonangol pursuant to which the Company has agreed to provide the Services to China Sonangol.

LETTER FROM THE BOARD

Since China Sonangol is a connected person of the Company, the transaction contemplated under the Services Agreement constitutes a continuing connected transaction of the Company under the Listing Rules. However, the annual consideration of the Continuing Connected Transaction is less than HK\$10,000,000, thus the Continuing Connected Transaction falls within Rule 14A.34(2) of the Listing Rules and is exempted from the Independent Shareholders' approval requirement. The Continuing Connected Transaction is subject to the reporting and announcement requirements only. As the relevant percentage ratios are more than 5% but less than 25%, the transaction contemplated under the Services Agreement also constitutes a discloseable transaction under the Listing Rules and is subject to the announcement and circular requirements.

The purpose of this circular is to provide Shareholders with further information relating to the discloseable transaction contemplated under the Services Agreement under Chapter 14 of the Listing Rules.

Set out below is a summary of the principal terms of the Services Agreement.

SERVICES AGREEMENT

Date

11 July 2008

Parties

The Company, as a provider of the Services; and

China Sonangol, as a recipient of the Services

Services and Terms

Pursuant to the Services Agreement, the Company has agreed to provide the Services to China Sonangol for a period of 18 months, commenced from 1 August 2008.

Services Fee

China Sonangol shall pay to the Company a services fee of HK\$500,000 per month in cash. The total services fee payable for the period of 18 months is HK\$9,000,000. The above services fee was arrived at after arm's length negotiation between the parties with reference to the manpower, time, equipment and materials required for providing the Services and shall be no less favourable than that offered to the third parties by China Sonangol in the market.

LETTER FROM THE BOARD

ANNUAL CAPS

In compliance with the relevant requirements under the Listing Rules, the Company has set an annual cap in respect of the Continuing Connected Transaction. Pursuant to the Services Agreement, China Sonangol shall pay to the Company a monthly services fee of HK\$500,000. As such, it is expected that the services fee payable to the Company under the Services Agreement will not exceed HK\$4,000,000 and HK\$5,000,000 for the Company's financial year ending 31 March 2009 and 31 March 2010 respectively.

The above annual caps are determined with reference to the fixed monthly services fee payable according to the Services Agreement which, in the Directors' view, are fair and reasonable.

The Group has no prior transactions with China Sonangol or its ultimate beneficial owners which require aggregation under Rules 14.22 and 14A.25 of the Listing Rules.

REASONS FOR THE TRANSACTION

As mentioned above, the services fee payable to the Company under the Services Agreement shall be no less favourable than that offered to the third parties by China Sonangol in the market. Although the provision of the Services is not the main business of the Company, the Company has sufficient equipment and existing management and employees with relevant analytical, accounting, trading, sales and marketing experience for providing the Services. The entering into of the Services Agreement gives the Company an opportunity to expand its business and is, in the Directors' view, beneficial to the development and expansion of the Company.

The Directors (including the independent non-executive Directors) consider that the transaction contemplated under the Services Agreement is on normal commercial terms and is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS TO THE COMPANY

Effect on the earnings, assets and liabilities

For the period of 18 months commenced from 1 August 2008, the Company will earn a monthly income of HK\$500,000 by rendering the Services to China Sonangol pursuant to the Services Agreement. It is expected the source of revenue base will be broadened and the overall earnings of the Group can be enhanced. At the same time, the total assets of the Group will be improved with cash generated by way of the provision of the Services to China Sonangol and there will be no effect on the liabilities of the Group.

LETTER FROM THE BOARD

INFORMATION OF THE GROUP AND CHINA SONANGOL

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.

China Sonangol is a company incorporated in 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 the holding company of Ascent Goal Investments Limited, the controlling shareholder of the Company, and therefore is a connected person of the Company.

LISTING RULES IMPLICATIONS

Since China Sonangol is a connected person of the Company as mentioned above, the transaction contemplated under the Services Agreement constitutes a continuing connected transaction of the Company under the Listing Rules. However, the annual consideration of the Continuing Connected Transaction is less than HK\$10,000,000, thus the Continuing Connected Transaction falls within Rule 14A.34(2) of the Listing Rules and is exempted from the Independent Shareholders' approval requirement. The Continuing Connected Transaction is subject to the reporting and announcement requirements only. As the relevant percentage ratios are more than 5% but less than 25%, the transaction contemplated under the Services Agreement also constitutes a discloseable transaction under the Listing Rules and is subject to the announcement and circular requirements.

ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, save as disclosed below, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which is required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executive of the Company was taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Interests in an associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares interested	Approximate percentage of the issued share capital
Ms. Lo Fung Hung (Note 1)	New Bright International Development Limited	Interests of a controlled corporation	3,000 (L)	30.0%
Mr. Wang Xiangfei (Note 2)	New Bright International Development Limited	Interests of a controlled corporation	3,000 (L)	30.0%

(L) denotes as long position

Notes:

1. Ms. Lo Fong Hung (“**Ms. Lo**”) is interested in 3,000 shares in New Bright International Development Limited (“**New Bright**”), representing 30% of the issued share capital of New Bright, which currently owns 70% shareholding interests in China Sonangol. China Sonangol is the holding company of Ascent Goal Investments Limited (“**Ascent Goal**”), the controlling shareholder of the Company.
2. Mr. Wang Xiangfei is the husband of Ms. Lo and is deemed to be interested in 3,000 shares of New Bright under the SFO.
3. Ms. Lo, an executive Director, owns 30% of the issued share capital of New Bright which in turn is interested in 70% of China Sonangol. China Sonangol is the holding company of Ascent Goal. Thus, Ms. Lo has an attributable interest in 666,624,589 Shares and a HK\$200,000,000 convertible bond giving rise to an interest in 1,000,000,000 underlying Shares.

As at the Latest Practicable Date, none of the Directors or the controlling shareholders of the Company and their respective associates has any interest in a business, apart from the business of the Company, which competes or may compete with the business of the Company or has any other conflict of interest with the Company which would be required to be disclosed under Rule 8.10 of the Listing Rules.

As at the Latest Practicable Date, none of the Directors or chief executive of the Company or their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

None of the Directors has any interest, direct or indirect, in any assets which have been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group since 31 March 2008, the date to which the latest published audited accounts of the Group were made up.

None of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

(b) Substantial Shareholders' and other Shareholders' interests

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors or chief executive of the Company, no other person (not being a Director or chief executive of the Company) had any interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10 per cent. (10%) or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group or had an option in respect of such capital.

Interest in Shares or underlying Shares:

Name of Shareholder	Note	Capacity	Number of Shares and underlying Shares held	Approximate percentage of the issued share capital of the Company
Ascent Goal	1	Beneficial owner	1,666,624,589 (L)	217.75%
China Sonangol	2	Interests of a controlled corporation	1,666,624,589 (L)	217.75%
New Bright	2	Interests of a controlled corporation	1,666,624,589 (L)	217.75%
Ms. Fung Yuen Kwan, Veronica	3	Interests of a controlled corporation	1,666,624,589 (L)	217.75%

(L) denotes as long position

Notes:

1. These 1,666,624,589 Shares are owned by Ascent Goal directly as beneficial owner. It includes interests in 666,624,589 Shares and HK\$200,000,000 convertible bond giving rise to an interest in 1,000,000,000 underlying Shares.
2. Since Ascent Goal is a wholly-owned subsidiary of China Sonangol which is beneficially owned as to 70% by New Bright, the interests of Ascent Goal is deemed to be the interests of China Sonangol and in turn the interests of New Bright under the SFO.

3. Ms. Fung Yuen Kwan, Veronica is deemed to have interests in the Shares and underlying Shares through her 70% interests in New Bright.
4. Based on the existing issued share capital of the Company of 765,373,584 Shares. The 666,624,589 Shares and 1,000,000,000 underlying Shares under the HK\$200,000,000 convertible bond represent 87.10% and 130.65% of the existing issued share capital of the Company respectively, thus the total of 666,624,589 Shares and 1,000,000,000 underlying Shares represents 217.75% of the existing issued share capital of the Company. The conversion rights attaching to the convertible bond will not be exercised 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.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or terminable by the Group within one year without payment of compensation other than statutory compensation).

5. MISCELLANEOUS

- (a) The company secretary and qualified accountant of the Company is Mr. Lo Ka Wai, who is currently a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is situated at Suites 1003-1006, 10/F., Two Pacific Place, 88 Queensway, Hong Kong.
- (c) The Company's Hong Kong branch share registrar and transfer office is Union Registrars Limited at Rooms 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.