



# ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock Code: 1229)

## NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the "**Meeting**") of Artfield Group Limited (the "**Company**") is to be held at Flats G and H, 12th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, Hong Kong on Friday, 30 March 2007 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution with or without amendments to be taken by way of a poll:

### ORDINARY RESOLUTION

#### 1. "THAT

- (a) the sale and purchase agreement dated 29 January 2007 (the "**First Disposal Agreement**") entered into between Artfield Company Limited ("**ACL**"), a directly and wholly owned subsidiary of the Company, as vendor and Merry Crest Management Limited, a company incorporated in the British Virgin Islands with limited liability and is solely and beneficially owned by Mr. Liang Jin You ("**Mr. Liang**"), as purchaser, and Mr. Liang as guarantor in relation to the disposals of (i) the entire issued share of Royal Success Enterprises Limited ("**RS**"), a direct wholly-owned subsidiary of ACL, and the account payables (subject to adjustment on completion) which is due and owing by RS and its subsidiary (the "**RS Group**") to the Company and its subsidiaries (which shall exclude the RS Group and the UG Group (as defined below) and AI (as defined below)) (the "**Group**") and (ii) 79.75% of issued shares of Ultra Good Electroplating Limited ("**UG**"), a directly owned subsidiary of ACL, and the account payables (subject to adjustment on completion) which is due and owing by UG and its subsidiary (the "**UG Group**") to the Group for an aggregate consideration of HK\$11,636,694 (a copy of First Disposal Agreement will be produced to the Meeting marked "A" for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the sale and purchase agreement dated 29 January 2007 (the "**Second Disposal Agreement**") entered into between Artfield Manufacturing Company Limited ("**AMCL**"), a directly and wholly owned subsidiary of the Company, as vendor and Asia Peace Development Limited, a company incorporated in Hong Kong with limited liability and is solely and beneficially owned by Mr. Liang as purchaser, and Mr. Liang as guarantor in relation to the disposals of all the registered and paid up equity capital of Artfield Industries (Shenzhen) Limited ("**AI**") and the account receivables (subject to adjustment on completion) which is due and owing by members of the Group to AI for an aggregate consideration of HK\$27,424,126 (a copy of Second Disposal Agreement will be produced to the Meeting marked "B" for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the supply agreement dated 29 January 2007 (the "**First Supply Agreement**") entered into between AMCL, RS and UG in relation to the sale of wooden products and the provision of electroplating services by RS and UG respectively to AMCL (a copy of First Supply Agreement will be produced to the Meeting marked "C" for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (d) the supply agreement dated 29 January 2007 (the "**Second Supply Agreement**") entered into between AMCL and AI in relation to the sale of clocks, timepieces, gift and premium products by AI to AMCL (a copy of Second Supply Agreement will be produced to the Meeting marked "D" for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(the First Disposal Agreement, the Second Disposal Agreement, the First Supply Agreement and the Second Supply Agreement are collectively referred to as "**Agreements**")

- (e) the annual caps contemplated under the First Supply Agreement and the Second Supply Agreement for the two financial years of the Company ending 31 March 2008 and 2009 being HK\$10 million and HK\$7.5 million for the First Supply Agreement and HK\$32.5 million and HK\$26 million for the Second Supply Agreement respectively be and are hereby approved, confirmed and ratified; and
- (f) any director of the Company be and is hereby authorised to do all such acts and things and executes all documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation and completion of the Agreements and the matters contemplated therein."

By order of the Board  
**Artfield Group Limited**  
**LIANG Jin You**  
Chairman

Hong Kong, 14 March 2007

Registered office:  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

Head office and principal place  
of business in Hong Kong:  
13th Floor,  
Universal Industrial Centre,  
19-21 Shan Mei Street,  
Fo Tan, Shatin, Hong Kong

#### Notes:

1. A member of the Company entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power or authority, at the office of the Company's branch share registrar in Hong Kong, Union Registrars Limited of Room 1803, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. Pursuant to the Rules Governing the Listing the Securities on The Stock Exchange of Hong Kong Limited, the ordinary resolution will be voted by way of poll.

As at the date of this announcement, the executive directors of the Company are Mr. LIANG Jin You, Ms. LI Kwo Yuk, Mr. LEUNG Kin Yau, Mr. OU Jian Sheng, Mr. DENG Ju Neng, Mr. CHEN Vee Yong Frederick and Mr. LEE Sang Yoon; and the independent non-executive directors are Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR, Joseph Wai Shing.