



ARTEL SOLUTIONS GROUP HOLDINGS LIMITED

宏通集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 931)

ANNOUNCEMENT

Reporting Status of the Company

Change in Directorship and Qualified Accountant

The Board wishes to announce that on 7 September 2006, the Company received a petition for winding up of the Company dated 5 September 2006 by the Petitioner, the hearing of which is scheduled on 1 November 2006.

Pending the hearing on 1 November 2006, the Company is continuously negotiating with the Petitioner for settlement and dismissal of the Petition.

Further, the Board wishes to announce that with effect from 18 September 2006 and 11 September 2006 respectively, Mr. Yim Hing Wah and Mr. Sze Lin Tang have resigned as an independent non-executive director and a qualified accountant of the Company respectively. Mr. Yim Hing Wah and Mr. Sze Lin Tang confirmed that they have no disagreement with the Board and there is no matter in respect of their retirement that needs to be brought to the attention of the shareholders of the Company.

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 11:48 a.m. on Thursday, 7 September 2006, pending the release of an announcement regarding the Petition, and remain suspended pending further update on the status of the Company and the impact on the business, operation and financial position of the Company on filing the Petition.

The board of directors (the "Board") of the Artel Solutions Group Holdings Limited (the "Company") wishes to announce that on 7 September 2006, the Company received a petition for winding up of the Company (the "Petition") dated 5 September 2006, by HSH Nordbank AG, Hong Kong Branch (the "Petitioner"), due to the reason that the Company was unable to repay the outstanding debts of US\$8,807,366.07 owed by two companies which the Company is a guarantor, the hearing of which is scheduled for 1 November 2006 and a summons dated 6 September 2006 for an application by the Petitioner to appoint provisional liquidators of the Company. The application for appointment of provisional liquidators was subsequently withdrawn on 19 September 2006 by way of consent summons between the parties.

In the meantime, pending the hearing on 1 November 2006, the Company is continuously negotiating with the Petitioner for settlement and dismissal of the Petition. The Board undertakes to make further announcement should there be any update on the status of the Company and the impact on the business, operation and financial position of the Company on filing the Petition.

Change in Directorship and Qualified Accountant

Further, the Board wishes to announce that with effect from 18 September 2006 and 11 September 2006 respectively, Mr. Yim Hing Wah and Mr. Sze Lin Tang have resigned as an independent non-executive director and a qualified accountant of the Company respectively. Mr. Yim Hing Wah and Mr. Sze Lin Tang confirmed that they have no disagreement with the Board and there is no matter in respect of their retirement that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its appreciation to Mr. Yim Hing Wah and Mr. Sze Lin Tang for their invaluable contributions to the Company during their period of service.

The Board notes that after the resignation of Mr. Yim Hing Wah, the number of the independent non-executive director of the Company is below the minimum requirement of the number of independent non-executive directors of a listed issuer as stated under Rule 3.10(1) of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Board undertakes to appoint additional independent non-executive director of the Company as soon as possible in order to meet the requirement of the Listing Rules.

The Board further notes that after the resignation of Mr. Sze Lin Tang as a qualified accountant, the Company cannot meet the requirement as stated in Rule 3.24 of the Listing Rules that every listed issuer should appoint a qualified accountant at all time. The Board undertakes to appoint a qualified accountant of the Company as soon as possible in order to meet the requirement of the Listing Rules.

SUSPENSION

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 11:48 a.m. on Thursday, 7 September 2006, pending the release of an announcement regarding the Petition, and remain suspended pending further update on the status of the Company and the impact on the business, operation and financial position of the Company on filing the Petition.

By order of the Board
Artel Solutions Group Holdings Limited
Yu Pen Hung
Chairman

Hong Kong, 22 September 2006

As at the date of this announcement, the Board comprises Mr. Yu Pen Hung being the executive director, Dr. Liu James Juh and Ms. Hu Gin Ing being the independent non-executive directors.

* for identification purpose only