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KAN CHE KIN, BILLY ALBERT **ARTEL SOLUTIONS GROUP HOLDINGS LIMITED**
宏通集團控股有限公司*
(incorporated in Cayman Islands with limited liability)
(stock code: 931)

JOINT ANNOUNCEMENT

**DESPATCH OF COMPOSITE DOCUMENT RELATING TO
UNCONDITIONAL MANDATORY CASH OFFERS**

BY

**CIMB-GK SECURITIES (HK) LIMITED
ON BEHALF OF**

**KAN CHE KIN, BILLY ALBERT
TO ACQUIRE ALL ISSUED SHARES IN
ARTEL SOLUTIONS GROUP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY
KAN CHE KIN, BILLY ALBERT
AND PARTIES ACTING IN CONCERT WITH HIM)
AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS
APPOINTMENT OF DIRECTORS
AND
CHANGE OF CHAIRMAN**

Financial adviser to Kan Che Kin, Billy Albert



CIMB-GK Securities (HK) Limited

Independent Financial Adviser to the independent non-executive Director



The Composite Document containing, among other things, details about the terms of the Offers together with the relevant form(s) of acceptance, will be despatched to the Independent Shareholders and the Optionholders on 10 October 2007.

* *for identification purpose only*

Mr. Kan Che Kin, Billy Albert (being the Offeror himself), Mrs. Kan Kung Chuen Lai, Ms. Li Shu Han, Eleanor Stella and Mr. Li Kai Yien, Arthur Albert will be appointed as executive Directors and Mr. Li Siu Yui and Mr. Ip Woon Lai will be appointed as independent non-executive Directors on the date of despatch of the Composite Document, that is 10 October 2007.

Mr. Kan Che Kin Billy Albert will also be appointed as chairman of the Company with effect from 10 October 2007. Mr. Yu will resign as chairman of the Company but remains an executive Director with effect from 10 October 2007.

Reference is made to the joint announcement (the “Announcement”) made by Mr. Kan Che Kin, Billy Albert (the “Offeror”) and Artel Solutions Group Holdings Limited (the “Company”) dated 19 September 2007. Unless otherwise stated, terms defined in the Announcement are used in this joint announcement with the same meanings ascribed thereto in the Announcement.

Further to the Announcement, the Composite Document containing, among other things, details about the terms of the Offers together with the relevant form(s) of acceptance, will be despatched to the Independent Shareholders and the Optionholders on 10 October 2007 in accordance with the Takeovers Code.

Independent Shareholders and the Optionholders are advised to read the Composite Document and the relevant form(s) of acceptance carefully before deciding on whether or not to accept the Offers.

EXPECTED TIMETABLE

2007

Despatch date of the Composite Document and the accompanying forms of acceptance and the commencement date of the Offers (<i>Note 1</i>)	Wednesday, 10 October
Latest time for acceptance of the Offers	4:00 p.m. on Wednesday, 31 October
Closing Date of the Offers (<i>Note 2</i>)	Wednesday, 31 October
Announcement of the results of the Offers posted on the Stock Exchange’s website	7:00 p.m. on Wednesday, 31 October
Notification of the announcement of the results of the Offers published in newspapers in Hong Kong	Thursday, 1 November
Latest date for despatch of remittances for the amounts due under the Offers in respect of valid acceptances received on or before 4:00 p.m. on the Closing Date (<i>Note 4</i>)	Friday, 9 November

Notes:

1. The Offers are made on 10 October 2007, being the date of despatch of the Composite Document, and are capable of acceptance on and from that date until the Closing Date.
2. The Offers, which are unconditional, will be closed on 31 October 2007 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. An announcement will be issued through the Stock Exchange's website by 7:00 p.m. on 31 October 2007 stating whether the Offers have been revised or extended or have expired or in relation to any extension of the Offers, to state also either the next closing date or that the Offers will remain open until further notice. In the event that the Offeror decides that the Offers will remain open until further notice, at least 14 days' notice in writing will be given, before the Offers are closed, to those Independent Shareholders and the Optionholders and an announcement will be published.
3. The Offers are unconditional. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.
4. Remittances in respect of the consideration (after deducting the seller's ad valorem stamp duty) payable for the Shares tendered or Share Options cancelled under the Offers will be paid as soon as possible but in any event within 10 days of the date of the receipt of all the valid requisite documents from the Independent Shareholders and the Optionholders by the branch share registrar of the Company in Hong Kong.

All references to time and dates refer to Hong Kong local time and dates.

CHANGE OF BOARD COMPOSITION

Mr. Kan Che Kin, Billy Albert (being the Offeror himself), Mrs. Kan Kung Chuen Lai, Ms. Li Shu Han, Eleanor Stella and Mr. Li Kai Yien, Arthur Albert will be appointed as executive Directors and Mr. Li Siu Yui and Mr. Ip Woon Lai will be appointed as independent non-executive Directors on the date of despatch of the Composite Document, that is 10 October 2007.

Mr. Kan Che Kin Billy Albert will also be appointed as chairman of the Company with effect from 10 October 2007. Mr. Yu will resign as chairman of the Company but remains an executive Director with effect from 10 October 2007.

Set out below are the biographical details of the proposed Directors nominated by the Offeror:–

Executive Directors

Mr. Kan Che Kin, Billy Albert (“Mr. Kan”), aged 55, being the Offeror. Mr. Kan graduated from the University of East Anglia with a Bachelor of Science degree. He is an associate of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities Institute. Mr. Kan had worked with Deloitte Touche Tohmatsu and KPMG and is equipped with extensive experience in accountancy, taxation and corporate finance. In addition, Mr. Kan has over 20 years of experience in serving on the board of directors of financial institutions and listed companies in Hong Kong, including Security Pacific Finance Limited, Burlingame International Company Limited (now renamed as Interchina Holdings Company Limited) (stock code: 202) and Greater China Holdings Limited (stock code: 431). Mr. Kan resigned as a director of Interchina Holdings Company Limited in September 2000 and of Greater China Holdings Limited in June 2004. Save as disclosed, Mr. Kan did not hold any directorship in listed public companies in the last three years. As at the date of this joint announcement, Mr. Kan is interested in 1,200,000,000 Shares, representing 75% of the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Mrs. Kan Kung Chuen Lai is the wife of Mr. Kan, Ms. Li Shu Han, Eleanor Stella is a niece of Mr. Kan and Mr. Li Kai Yien, Arthur Albert is a nephew of Mr. Kan.

The Company will not enter into any service contract with Mr. Kan. There is no specific length or proposed length of service in respect of Mr. Kan's appointment, but he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Kan will be entitled to an annual remuneration of HK\$10,000. His remuneration was determined with reference to his duties and responsibilities.

Mrs. Kan Kung Chuen Lai ("Mrs. Kan"), aged 57, is a director of BK Capital Limited, a private company engaged in merchandise trading, properties investment and securities trading, for over 10 years. Mrs. Kan is the wife of Mr. Kan. As at the date of this joint announcement, Mrs. Kan, being the wife of Mr. Kan, is deemed to be interested in 1,200,000,000 Shares, representing 75% of the issued share capital of the Company, held by Mr. Kan within the meaning of Part XV of the SFO. As at the date of this joint announcement, Mrs. Kan did not hold any directorship in listed public companies in the last three years.

The Company will not enter into any service contract with Mrs. Kan. There is no specific length or proposed length of service in respect of Mrs. Kan's appointment, but she is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mrs. Kan will be entitled to an annual remuneration of HK\$10,000. Her remuneration was determined with reference to her duties and responsibilities.

Ms. Li Shu Han, Eleanor Stella ("Ms. Li"), aged 37, holds a Bachelor of Science Accounting degree from University of South California. Ms. Li was admitted as a member of American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants in 1995. She has experience in accounting and corporate finance. Ms. Li is currently a director of Wealth Loyal Development Limited, a private company engaged in investment holding. Ms. Li is a niece of Mr. Kan and sister of Mr. Li Kai Yien, Arthur Albert. As at the date of this joint announcement, Ms. Li did not hold any directorship in listed public companies in the last three years and she was not interested in any Shares within the meaning of the SFO.

The Company will not enter into any service contract with Ms. Li. There is no specific length or proposed length of service in respect of Ms. Li's appointment, but she is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Ms. Li will be entitled to an annual remuneration of HK\$10,000. Her remuneration was determined with reference to her duties and responsibilities.

Mr. Li Kai Yien, Arthur Albert ("Mr. Li"), aged 35, graduated from University of Southern California with a Bachelor of Science degree in 1995. Mr. Li has been a Certified Public Accountant since 2001 and has more than 9 years' experience in accounting and securities trading. Mr. Li is currently a dealer representative of Phillip Securities (HK) Ltd.. Mr. Li is a nephew of Mr. Kan and brother of Ms. Li. As at the date of this joint announcement, Mr. Li did not hold any directorship in listed public companies in the last three years and he was not interested in any Shares within the meaning of the SFO.

The Company will not enter into any service contract with Mr. Li. There is no specific length or proposed length of service in respect of Mr. Li's appointment, but he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Li will be entitled to an annual remuneration of HK\$10,000. His remuneration was determined with reference to his duties and responsibilities.

Independent non-executive Directors

Mr. Li Siu Yui, aged 37, holds a Master degree in Business Administration from University of Wales. Mr. Li Siu Yui has over 9 years' experience in the area of investment. He was working in securities companies during the period from 1997 to 2002. He has been engaged as an investment manager of two private companies since 2002. As at the date of this joint announcement, Mr. Li Siu Yui did not hold any directorship in listed public companies in the last three years and he was not interested in any Shares within the meaning of the SFO. He is not related to any director, senior management or substantial or controlling shareholder of the Company.

The Company will not enter into any service contract with Mr. Li Siu Yui. There is no specific length or proposed length of service in respect of his appointment, but he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Li Siu Yui will be entitled to an annual remuneration of HK\$50,000. His remuneration was determined with reference to his duties and responsibilities.

Mr. Ip Woon Lai (“Mr. Ip”), aged 36, holds a Bachelor of Commerce in Accounting and Finance degree from the University of New South Wales and was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants in 1998. He began his career with Arthur Andersen & Co. in Hong Kong in 1994. Mr. Ip has corporate finance and investment banking experience and had worked for various investment banks and companies including Warburg Dillon Read, ING Bank N.V. and CEL Management Services Limited. He had also worked in Hysan Development Company Limited where he served as the deputy head of corporate finance from 2005 to 2006. In 2006, he joined Lotus Capital Management Limited, a private equity investment fund. As at the date of this joint announcement, Mr. Ip did not hold any directorship in listed public companies in the last three years and he was not interested in any Shares within the meaning of the SFO. He is not related to any director, senior management or substantial or controlling shareholder of the Company.

The Company will not enter into any service contract with Mr. Ip. There is no specific length or proposed length of service in respect of Mr. Ip's appointment, but he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Ip will be entitled to an annual remuneration of HK\$50,000. His remuneration was determined with reference to his duties and responsibilities.

Save as disclosed above, each of the proposed executive Directors and independent non-executive Directors has confirmed there is no other information relating to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules or need to be brought to the attention of the Shareholders.

Kan Che Kin, Billy Albert

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

Hong Kong, 9 October 2007

The Offeror accepts full responsibility for the accuracy of the information (other than information relating to the Group, the Vendor and Mr. Yu) contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those relating to the Group, the Vendor and Mr. Yu) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to the Group, the Vendor and Mr. Yu), the omission of which would make any statement in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than information relating to the Offeror) contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to the Offeror), the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises one executive Director, namely Mr. Yu Pen Hung, and one independent non-executive Director, namely Mr. Lee Kong Leong.