



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)

**MONTHLY ANNOUNCEMENT
IN RESPECT OF CONVERTIBLE NOTES**

The Company made this announcement pursuant to the requirements of the Listing Approval in respect of the number of new Shares allotted and issued upon the exercise of the conversion rights attached to the Convertible Notes.

During the month of February 2008, an aggregate principal amount of HK\$30,000,000 of the Convertible Notes were converted and 777,202,072 new Shares were issued pursuant to the Conversion.

Reference is made to the circular of Artel Solutions Group Holdings Limited (the “Company”) dated 25 January 2008 (the “Circular”) and the Company’s announcement dated 18 February 2008 (the “Announcement”). Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement.

The Company made this announcement pursuant to the requirements of the Listing Approval granted by the Listing Committee of the Stock Exchange approving the listing and permission to deal in, among others, the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Notes.

The Company would like to report that during the month of February 2008, six conversion notices were received by the Company in relation to the exercise of the conversion rights attached to the Convertible Notes in the aggregate principal amount of HK\$30,000,000, details of which are set out below:

Conversion date	Principal amount of Convertible Notes converted (HK\$)	Conversion price (HK\$)	Number of new Shares issued	Outstanding principal amount of the Convertible Notes after the Conversion (HK\$)
18 February 2008	30,000,000	0.0386	777,202,072	328,000,000

* For identification purposes only

Changes in the issued share capital of the Company during the period from the Completion Date to 29 February 2008 are as follows:

	Issued share capital (HK\$)	Number of issued Shares
As at the Completion Date	16,023,300.00	1,602,330,000
New Conversion Shares issued on 18 February 2008	<u>7,772,020.72</u>	<u>777,202,072</u>
As at 29 February 2008	<u><u>23,795,320.72</u></u>	<u><u>2,379,532,072</u></u>

As at 29 February 2008, to the best knowledge of the Directors, 660,732,000 Shares, representing approximately 27.77% of the issued share capital of the Company, are held in public hands. Accordingly, the Company maintains the 25% minimum public float required under Rule 8.08 of the Listing Rules.

By Order of the Board
Artel Solutions Group Holdings Limited
Kan Che Kin, Billy Albert
Chairman

Hong Kong, 3 March 2008

As at the date of this announcement, the executive Directors are Mr. Kan Che Kin, Billy Albert, Mrs. Kan Kung Chuen Lai, Ms. Li Shu Han, Eleanor Stella, Mr. Li Kai Yien, Arthur Albert and Mr. Yu Pen Hung and the independent non-executive Directors are Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.