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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF PROPERTY**

THE PROPERTY ACQUISITION

The Board is pleased to announce that on 2 January 2009, the Purchaser, a wholly owned subsidiary of the Company, entered into the Property Acquisition Agreement with the Vendor for the purchase of the Property for a consideration of HK\$7,000,000, which will be fully satisfied in cash by internal resources of the Group.

The Property is an office unit located in Wanchai, Hong Kong which right to use is currently shared by the Vendor and the licensee, Warderly, under the Licence Agreement for office purpose, yielding an annual licence fee of HK\$120,000. Upon completion of the Property Acquisition, the Group intends to use the Property as its office or lease out the Property for rental income.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Kan, an executive Director and the chairman of the Company holding approximately 68.55% of the issued share capital of the Company as at the date of this announcement, held 999,999 issued shares of the Vendor while Mrs. Kan, an executive Director, held one issued share of the Vendor. The Vendor is therefore regarded as a connected person of the Company under the Listing Rules. Accordingly, the Property Acquisition constitutes a discloseable and connected transaction to the Company under the Listing Rules. However, given that each of the percentage ratios (other than the profits ratio) is less than 25% and the Property Consideration is less than HK\$10,000,000, under Chapter 14A of the Listing Rules, the Property Acquisition is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement.

* *for identification purposes only*

As at the date of this announcement, Mr. Kan held approximately 36.03% of the issued share capital of Warderly. Accordingly, Warderly is an associate of Mr. Kan and is regarded as a connected person of the Company. In the event that Warderly and the Vendor renewed the Licence Agreement, upon Completion, this may constitute an ongoing connected transaction of the Company under the Listing Rules. The Company shall then comply with the Listing Rules accordingly.

THE PROPERTY ACQUISITION AGREEMENT

1. Date

2 January 2009

2. Parties

- (i) Key Fit Group Limited, a wholly owned subsidiary of the Company, as the purchaser; and
- (ii) BK Capital Limited as the vendor.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendor is an investment holding company, of which (i) 999,999 issued shares were held by Mr. Kan, an executive Director and the chairman of the Company holding approximately 68.55% of the issued share capital of the Company as at the date of this announcement; and (ii) one issued share was held by Mrs. Kan Kung Chuen Lai (“**Mrs. Kan**”), an executive Director, as at the date of this announcement. Accordingly, the Vendor is regarded as a connected person of the Company under the Listing Rules.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, there was no previous transaction entered into between the Company and the Vendor before the date of this announcement.

3. Assets to be acquired

The Property, being 15/F, No. 88 Lockhart Road, Wanchai, Hong Kong, which is for office purpose with a total gross floor area of approximately 2,010 square feet.

The Property is shared by the Vendor and the licensee, Warderly, for office purpose under a licence agreement (the “**Licence Agreement**”) entered into between Warderly and the Vendor in June 2008. Pursuant to the Licence Agreement, Warderly shall pay a monthly licence fee of HK\$10,000 to the Vendor and the licence granted shall expire on 18 May 2009 for which Warderly has a right to renew the Licence Agreement for another one year at a revised licence fee to be determined by the Vendor.

According to the Vendor, the Vendor acquired the Property in May 2005 at the consideration of HK\$5,900,000. The Property is accounted for as “Land and Building” in the books of the Vendor.

4. Property Consideration

The Property Consideration is HK\$7,000,000, which shall be payable to the Vendor on the Completion Date.

The Property Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the valuation of the Property as at 2 December 2008 of HK\$7,000,000 as valued, on a market basis by reference to comparable market transactions, by a property valuer, which is a third party independent of and not connected with the Group and its connected persons.

The Property Consideration will be fully satisfied in cash by the Group's internal resources.

5. Right to terminate

Pursuant to the Property Acquisition Agreement, the Purchaser shall have the right to terminate the Property Acquisition Agreement at any time before the Completion Date by serving a 7-day written notice to the Vendor whereupon the Property Acquisition Agreement shall be determined and all rights, obligations and liabilities of the parties shall cease and neither party shall have any claim against the other.

6. Completion

Completion shall take place on the Completion Date. The Purchaser shall have the right to request for Completion to take place on a date earlier than the Completion Date by serving a 7-day written notice to the Vendor in which case Completion shall take place on the day following the date of expiry of the said notice.

REASONS FOR AND BENEFITS OF THE PROPERTY ACQUISITION

The Company is principally engaged in distribution of computer components and information technology products and provision of integrated e-enabling solutions.

As stated in the annual report of the Company for the financial year ended 31 December 2007, the Group will continue to look for new business opportunities that could provide better returns for the Shareholders.

The Property is an office unit located in Wanchai, Hong Kong and has a gross floor area of approximately 2,010 square feet. The Property is currently licensed to Warderly yielding an annual licence fee of HK\$120,000. The Group intends to use the Property for office purpose or to lease out the Property after Completion for rental income. The Directors believe in the long term prospect of office properties in Hong Kong and consider that the Property Acquisition will strengthen the Group's recurring income base.

The Directors, including the independent non-executive Directors, consider that the terms of the Property Acquisition Agreement are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	the board of the Directors
“Company”	Artel Solutions Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange (stock code: 931)
“Completion”	completion of the Property Acquisition
“Completion Date”	1 June 2009
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Kan”	Mr. Kan Che Kin, Billy Albert, an executive Director, the chairman of the Company and the controlling shareholder of the Company holding approximately 68.55% of the issued share capital of the Company as at the date of this announcement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	an office unit at 15/F, No. 88 Lockhart Road, Wanchai, Hong Kong with a gross floor area of approximately 2,010 square feet
“Property Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Property Acquisition Agreement
“Property Acquisition Agreement”	the sale and purchase agreement dated 2 January 2009 entered into by the Purchaser and the Vendor in relation to the Property Acquisition
“Property Consideration”	the total consideration for the Property Acquisition, being HK\$7,000,000
“Purchaser”	Key Fit Group Limited, a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning as ascribed thereto under the Listing Rules
“Vendor”	BK Capital Limited, a company incorporated in Hong Kong with limited liability

“Warderly” Warderly International Holdings Limited, a company incorporated in the Cayman Islands whose issued shares are listed on the main board of the Stock Exchange (stock code: 607)

“%” per cent.

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

Hong Kong, 6 January 2009

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