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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

CLOSE OF 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

CLOSE OF THE OFFERS AND LEVEL OF ACCEPTANCES

The Offers closed on 31 October 2007. The Offeror did not revise or extend the period of the Offers.

As at 4:00 p.m. on 31 October 2007, being the latest time and date for acceptance of the Offers set out in the Composite Document, the Offeror received valid acceptances in respect of (i) a total of 17,558,000 Shares under the Share Offer, representing approximately 1.10% of the entire issued share capital and of the voting rights of the Company as at the date of this joint announcement; and (ii) Share Options to subscribe for 29,945,000 Shares, representing approximately 26.25% of the total outstanding Share Options, under the Option Offer.

Consideration in respect of valid acceptances of the Share Offer and the Option Offer will be paid to the relevant Shareholders/Optionholders in accordance with the Takeovers Code.

* *for identification purpose only*

SHAREHOLDINGS AND PUBLIC FLOAT

Upon closing of the Offers and taking into account the valid acceptances in respect of 17,558,000 Shares under the Share Offer (subject to completion of the transfer of those Shares to the Offeror), the Offeror and parties acting in concert with it became interested in 1,217,558,000 Shares, representing approximately 76.10% of the issued share capital and voting rights of the Company as at the date of this joint announcement, or approximately 75.99% of the issued share capital and voting rights of the Company after taking into consideration the issue of the Subscription Shares.

The public float of the Company is not sufficient for the purpose of maintaining the minimum public float of 25% of the issued share capital of the Company as required under Rule 8.08 of the Listing Rules. The Offeror has undertaken to place down such number of Shares or take other appropriate measures before the Stock Exchange granting the approval for the resumption of trading of the Shares so as to ensure that not less than 25% of the issued share capital of the Company will be in the public hands.

Trading in the Shares on the Stock Exchange will remain suspended until further notice.

Reference is made to the announcement dated 19 September 2007 and the composite document dated 10 October 2007 (the “**Composite Document**”) jointly issued by the Offeror and Artel Solutions Group Holdings Limited (the “**Company**”). Capitalised terms used herein shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

CLOSING OF THE OFFERS AND LEVEL OF ACCEPTANCES

The Offers closed on 31 October 2007. The Offeror did not revise or extend the period of the Offers.

As at 4:00 p.m. on 31 October 2007, being the latest time and date for acceptance of the Offers set out in the Composite Document, the Offeror received valid acceptances in respect of (i) a total of 17,558,000 Shares under the Share Offer, representing approximately 1.10% of the entire issued share capital and of the voting rights of the Company as at the date of this joint announcement; and (ii) Share Options to subscribe for 29,945,000 Shares, representing approximately 26.25% of the total outstanding Share Options, under the Option Offer.

Consideration in respect of valid acceptances of the Share Offer and the Option Offer will be paid to the relevant Shareholders/Optionholders in accordance with the Takeovers Code as soon as possible but in any event within ten days from the receipt date of all requisite documents to render such acceptances valid and complete.

SHAREHOLDINGS AND PUBLIC FLOAT

Immediately prior to 19 September 2007, being the commencement date of the offer period, save for the Sale and Purchase Agreement, the Offeror and parties acting in concert with him did not hold, control or direct in any rights over Shares or securities of the Company.

Upon completion of the Sale and Purchase Agreement, the Offeror and parties acting in concert with him was interested in 75% of the then issued share capital of the Company. Taking into account the valid acceptances in respect of 17,558,000 Shares under the Share Offer (subject to completion of the transfer

of those Shares to the Offeror), the Offeror and parties acting in concert with him will be interested in 1,217,558,000 Shares, representing approximately 76.10% of the issued share capital and voting rights of the Company as at the date of this joint announcement. Save as aforesaid, the Offeror and parties acting in concert with him did not acquire or agree to acquire in any rights over Shares or securities of the Company during the offer period.

On 29 October 2007, the Company received exercise notices from two Optionholders in respect of the subscription of an aggregate of 2,330,000 Shares (the “**Subscription Shares**”). Upon the allotment and issue of the Subscription Shares, the total issued Shares will be 1,602,330,000 Shares and the Offeror and parties acting in concert with him will be interested in approximately 75.99% of the enlarged issued share capital of the Company.

As stated in the Composite Document, it is the intention of the Offeror to maintain the listing of the Shares on the Stock Exchange after the closing of the Offers. As a result of the acceptances received under the Offers, the public float of the Company is not sufficient for the purpose of maintaining the minimum public float of 25% of the issued share capital of the Company as required under Rule 8.08 of the Listing Rules. The Offeror has undertaken to place down such number of Shares or take other appropriate measures before the Stock Exchange granting the approval for the resumption of trading of the Shares so as to ensure that not less than 25% of the issued share capital of the Company will be in the public hands.

Trading in the Shares on the Stock Exchange will remain suspended until further notice. Further announcements in this regard will be made as and when appropriate.

Kan Che Kin, Billy Albert

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

Hong Kong, 31 October 2007

As at the date of this joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information 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 have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

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