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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 TRANSACTION
AND
STATUS UPDATE OF POSSIBLE ACQUISITION**

THE PROPERTY DISPOSAL

The Board announces that on 30 July 2009, the Vendor, being a wholly owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, a third party independent of and not connected with the Group, pursuant to which the Vendor has agreed to sub-sell as the confirmor and the Purchaser has agreed to sub-purchase the Vendor's interest of and in the Head Agreement and the Property at a cash consideration of HK\$7.9 million.

The Property is the commercial unit located in Wan Chai, Hong Kong.

The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

STATUS UPDATE OF THE POSSIBLE ACQUISITION

Reference is made to the announcements of the Company dated 16 June 2009 and 6 July 2009 respectively regarding the Possible Acquisition. The Company is still in the course of negotiation with the Target Vendors in respect of the Possible Acquisition and no formal agreements have been entered into with the Target Vendors as at the date of this announcement.

The Possible Acquisition may or may not proceed. Shareholders and other investors of the Company are advised to exercise caution when dealing in the Shares.

* *for identification purpose only*

Reference is made to the announcements of the Company dated 6 January 2009 and 1 June 2009 respectively regarding the entering into of the sale and purchase agreement (the “**Head Agreement**”) dated 2 January 2009 between the Vendor and BK Capital Limited (“**BK Capital**”) for the acquisition of the Property (the “**Existing Acquisition**”) from BK Capital and the extension of the completion date of the Head Agreement.

THE PROVISIONAL AGREEMENT

1. Date

30 July 2009

2. Parties

- i. The Hong Kong Church of Christ Company Limited, a company principally engaged in religious activities and a third party independent of and not connected with the Group, as the Purchaser; and
- ii. Key Fit Group Limited, a wholly owned subsidiary of the Company as at the date of this announcement, as the Vendor.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are independent of and not connected with the Group and there was no previous transaction entered into between the Group and the Purchaser before the date of this announcement.

3. Assets to be disposed of

The interest of and in the Head Agreement and the Property (being the commercial unit located on 15th Floor, “No. 88 Lockhart Road”, No. 88 Lockhart Road, Wan Chai, Hong Kong, with a total gross floor area of approximately 2,010 square feet). As at the date of this announcement, the Property is used by BK Capital and Warderly International Holdings Limited (the “**Licensee**”) under a licence agreement entered into between BK Capital and the Licensee in June 2008 and the supplemental agreement in May 2009. The licence granted shall expire on 18 August 2009.

Pursuant to the Head Agreement, the Vendor has agreed to purchase the Property from BK Capital at the consideration of HK\$7 million.

4. Consideration

The Consideration is HK\$7.9 million and shall be payable in the following manner:

- (i) HK\$395,000 was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement as initial deposit;
- (ii) HK\$395,000 (the “**Further Deposit**”) shall be payable by the Purchaser to the Vendor’s solicitors upon signing of the formal sub-sale agreement for the Property Disposal on or before 14 August 2009. The Further Deposit shall be released to the Vendor upon Completion; and
- (iii) the balance of HK\$7.11 million shall be payable by the Purchaser to the Vendor upon Completion.

The Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor with reference to the prevailing market value of similar properties in the property market in Hong Kong.

5. Completion

Pursuant to the Provisional Agreement, Completion shall take place on or before 1 September 2009 and the Vendor shall deliver vacant possession of the Property to the Purchaser.

REASONS FOR AND BENEFITS OF THE PROPERTY DISPOSAL

The Company is an investment holding company and the principal activities of the Group are distribution of computer components and information technology products, provision of integrated e-enabling solutions and trading of securities. Should the Company proceed with the Possible Acquisition (as defined below), the principal activities of the Group will diversify into investment in energy and resources businesses.

The Directors are of the view that the Property Disposal represents an opportunity for the Company to realize its investment in the properties market, which will allow the Group to record a profit of HK\$0.9 million (before deduction of relevant expenses of the Existing Acquisition and the Property Disposal) upon Completion. The sale proceeds from the Property Disposal will be used for (i) the acquisition of investment opportunities, in particular, should the Possible Acquisition (as defined below) proceed, for the partial settlement of the consideration of such acquisition, and (ii) general working capital of the Group.

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

GENERAL

The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

STATUS UPDATE OF POSSIBLE ACQUISITION

Reference is made to the announcements of the Company dated 16 June 2009 and 6 July 2009 respectively regarding the entering into of the framework agreement by the Company with 山西蘭花煤炭實業集團有限公司 (Shanxilanhua Coal Industrial Group Co. Ltd*) (the “**Target**”), a company established in the PRC in 1997, in respect of the possible acquisition (the “**Possible Acquisition**”) by the Company of approximately 28.01% equity interest in the registered capital of the Target from two existing owners of the Target (the “**Target Vendors**”). The Directors would like to state that the Company is still in the course of negotiation with the Target Vendors in respect of the Possible Acquisition. No formal agreements have been entered into with the Target Vendors as at the date of this announcement.

In addition, the Company is currently in the negotiation stage with a few PRC and other overseas companies in expanding its involvement in the operation of energy and resources businesses, and further update announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Possible Acquisition may or may not proceed. Shareholders and other investors of the Company are advised to exercise caution when dealing in the Shares.

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 Disposal
“Consideration”	the total cash consideration for the Property Disposal of HK\$7.9 million
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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

* For identification purpose only

“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”	being the commercial unit on the 15th Floor, “No. 88 Lockhart Road”, No. 88 Lockhart Road, Wan Chai, Hong Kong, with a gross floor area of approximately 2,010 square feet
“Property Disposal”	the disposal of its interest of and in the Head Agreement and the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement, subject to and with the benefits of the Head Agreement
“Provisional Agreement”	the provisional sale and purchase agreement dated 30 July 2009 entered into between the Purchaser and the Vendor in relation to the Property Disposal
“Purchaser”	The Hong Kong Church of Christ Company Limited, a third party independent of and not connected with the Group
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Vendor”	Key Fit Group Limited, a wholly owned subsidiary of the Company as at the date of this announcement
“%”	per cent.

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

Hong Kong, 31 July 2009

As at the date of this announcement, the Board comprises (i) 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 (ii) three independent non-executive Directors, namely, Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.