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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)**

**ANNOUNCEMENT**

**DISCLOSURE PURSUANT TO RULE 13.09(1) OF THE LISTING RULES  
AND  
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

**FRAMEWORK AGREEMENT**

On 12 June 2009, the Company entered into the Framework Agreement with the Target in respect of the Possible Acquisition by the Company of the Sale Interests, representing approximately 28.01% equity interest in the registered capital of the Target.

Based on the information provided by and representations from the Target, the Target is principally engaged in coal mining, manufacture and sale of chemical fertilizers, refined chemicals, pharmaceutical products and machinery, property development and tourism business. The Target is currently holding a controlling interest in a company, the shares of which are listed on the Shanghai Stock Exchange, which ranks among the top 10 中國藍籌煤炭企業 (PRC Blue Chip Coal Mining Enterprises).

Pursuant to the Framework Agreement, the Target shall procure the Vendors to enter into the S&P Agreements for the disposal of the Sale Interests to the Company at a very favorable consideration within three months from the date of the Framework Agreement (or such other date as may be agreed by the Target and the Company in writing). The Target shall also procure the Vendors not to negotiate with any party other than the Company regarding the disposal of the Sale Interests for a period of six months from the date of the Framework Agreement. The definitive terms of the S&P Agreements will be negotiated among the parties.

\* for identification purpose only

The Possible Acquisition is subject to the entering into of the S&P Agreements and may or may not proceed. Should the S&P Agreements be entered into by the Company, the transactions contemplated under the S&P Agreements may constitute notifiable transaction for the Company under Chapter 14 of the Listing Rules and further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

**It should be noted that the terms of the S&P Agreements have yet to be negotiated among the relevant parties. Accordingly, the Possible Acquisition may or may not proceed. Shareholders of the Company and other investors are advised to exercise caution when dealing in the Shares.**

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 15 June 2009 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 17 June 2009.

This announcement is made by Artel Solutions Group Holdings Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### **FRAMEWORK AGREEMENT**

On 12 June 2009, the Company entered into a framework agreement (the “**Framework Agreement**”) 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 People’s Republic of China (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 (the “**Sale Interests**”) from two existing equity owners of the Target (the “**Vendors**”). To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company (the “**Directors**”), the Target and the Vendors and their respective ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Based on the information provided by and representations from the Target, (i) the Target is principally engaged in coal mining, manufacture and sale of chemical fertilizers, refined chemicals, pharmaceutical products and machinery, property development and tourism business; (ii) the Target is currently holding a controlling interest in 山西蘭花科技創業股份有限公司 (Shanxilanhua Sci-Tech Venture Co. Ltd\*), the shares of which are listed on the Shanghai Stock Exchange, which ranks among the top 10 中國藍籌煤炭企業 (PRC Blue Chip Coal Mining Enterprises); (iii) the Target’s 國有資產保值增值率年平均 (Average Annual Rate of Maintenance and Appreciation of State-owned Assets) during the period from the date of establishment of the Target to 31 December 2008 was approximately 118.47%; and (iv) for the year ended 31 December 2008, the Target recorded sales revenue of approximately RMB5,873 million, tax payment of approximately RMB1,067 million, the net profit after tax of approximately RMB1,955 million and the net asset value of the Target as at 31 December 2008 was approximately RMB6,000 million.

\* for identification purpose only

Pursuant to the Framework Agreement, the Target shall procure the Vendors to enter into definitive sale and purchase agreements (the “**S&P Agreements**”) for the disposal of the Sale Interests to the Company at a very favorable consideration within three months from the date of the Framework Agreement (or such other date as may be agreed by the Target and the Company in writing). The Target shall also procure the Vendors not to negotiate with any party other than the Company regarding the disposal of the Sale Interests for a period of six months from the date of the Framework Agreement. The definitive terms of the S&P Agreements will be negotiated among the parties. Upon signing of the Framework Agreement, the Company is entitled to commence due diligence reviews on the Target and its subsidiaries.

The Possible Acquisition is subject to the entering into of the S&P Agreements and may or may not proceed. Should the S&P Agreements be entered into by the Company, the transactions contemplated under the S&P Agreements may constitute notifiable transaction for the Company under Chapter 14 of the Listing Rules and further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

**It should be noted that the terms of the S&P Agreements have yet to be negotiated among the relevant parties. Accordingly, the Possible Acquisition may or may not proceed. Shareholders of the Company and other investors are advised to exercise caution when dealing in the shares (the “Shares”) of the Company.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 15 June 2009 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 17 June 2009.

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

Hong Kong, 16 June 2009

*As at the date of this announcement, the board of Directors 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.*