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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 IN RELATION TO ACQUISITION OF PROPERTY

THE PROPERTY ACQUISITION

The Board announces that on 5 May 2011, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendors for the acquisition of the Property at a cash consideration of HK\$36.8 million, which will be satisfied by internal resources of the Group.

The Property is located in Central Mid-levels, Hong Kong. Upon Completion, the Group intends to lease out the Property for rental income purpose.

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.

THE PROVISIONAL AGREEMENT

1. Date

5 May 2011

2. Parties

- i. ACE Vantage Investments Limited, a wholly-owned subsidiary of the Company, as the purchaser; and

ii. Stuart, Hamish Coombe and Robinson, Alice Anne Barton, as the vendors

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendors are third parties independent of the Company and its connected persons and there was no previous transaction entered into between the Company and the Vendors before the date of this announcement.

3. Assets to be acquired

The Property, being Flat A on 10th Floor of Tower 2 and car parking space no.59 on level 7 of Tower 1 and 2, Tregunter, No.14 Tregunter Path, Hong Kong, with a total gross floor area of approximately 3,052 square feet, is to be occupied for residential purpose.

4. Consideration

The Consideration is HK\$36.8 million, among which, HK\$1.84 million was paid by the Purchaser to the Vendors upon signing of the Provisional Agreement as initial deposit, HK\$1.84 million shall be paid upon entering into the formal sale and purchase agreement on or before 18 May 2011 as further deposit, and the balance of HK\$33.12 million shall be paid upon Completion on or before 18 August 2011.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors with reference to the value of the Property as ascertained by the Purchaser.

The Consideration will be satisfied by internal resources of the Group.

5. Completion

Pursuant to the Provisional Agreement, Completion will take place on or before 18 August 2011.

REASONS FOR AND BENEFITS OF THE PROPERTY ACQUISITION

The Group is principally engaged in distribution of computer components and information technology products and trading of securities.

The Property is located in Central Mid-levels, Hong Kong, and has a gross floor area of approximately 3,052 square feet. The Group intends to lease out the Property after Completion for rental income purpose. The Directors believe in the long term prospect of the property market in Hong Kong and expect that the Property Acquisition will expand the Group's income base.

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.

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 (宏通集團控股有限公司*), an exempted company incorporated in Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 931)
“Completion”	completion of the Property Acquisition
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the total cash consideration for the Property Acquisition, being HK\$36.8 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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	being Flat A on 10th Floor of Tower 2 and car parking space no.59 on level 7 of Tower 1 and 2, Tregunter, No.14 Tregunter Path, Hong Kong, with a gross floor area of approximately 3,052 square feet
“Property Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Provisional Agreement
“Provisional Agreement”	the provisional sale and purchase agreement dated 5 May 2011 entered into between the Purchaser and the Vendors in relation to the Property Acquisition

“Purchaser”	ACE Vantage Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“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)
“Vendors”	Stuart, Hamish Coombe and Robinson, Alice Anne Barton

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

Hong Kong, 6 May 2011

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 and Mr. Li Kai Yien, Arthur Albert and the independent non-executive Directors are Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong.

** for identification purpose only*