

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Artel Solutions Group Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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)**

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE NEW SHARES  
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Artel Solutions Group Holdings Limited to be held at Flat 18, 1/F, Flourish Industrial Building, 33 Sheung Yee Road, Kowloon Bay, Hong Kong on 22 May 2008 at 11:00 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's Hong Kong branch share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meeting in person should you so wish.

\* for identification purposes only

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
Proposed Re-election of Retiring Directors .....	4
Proposed General Mandates to Issue and Repurchase Shares .....	4
Annual General Meeting .....	5
Procedures for demanding a poll .....	5
Recommendation .....	6
General information .....	6
<b>Appendix I – Information on Retiring Directors</b> .....	7
<b>Appendix II – Explanatory Statement on Share Repurchase Mandate</b> .....	10
<b>Notice of Annual General Meeting</b> .....	13

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM Notice”	notice of the Annual General Meeting which is set out on pages 13 to 16 of this circular;
“Annual General Meeting”	the annual general meeting of the Company to be held at Flat 18, 1/F, Flourish Industrial Building, 33 Sheung Yee Road, Kowloon Bay, Hong Kong on 22 May 2008 at 11:00 a.m. or any adjournment thereof;
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an Article of the Articles of Association;
“associate(s)”	has the same meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Code”	the Hong Kong Code on Takeovers and Mergers;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Artel Solutions Group Holdings Limited 宏通集團控股有限公司*, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 20 December 2007 to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 20 December 2007;
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 20 December 2007 to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 20 December 2007;
“Group”	the Company and its subsidiaries;

\* for identification purposes only

## DEFINITIONS

“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	24 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Ordinary Resolutions”	the ordinary resolutions to be proposed and passed at the Annual General Meeting as set out in the AGM Notice;
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting such proposed issue mandate;
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting such proposed repurchase mandate;
“Retiring Directors”	Ms. Li Shu Han, Eleanor Stella, Mr. Li Kai Yien, Arthur Albert and Mr. Li Siu Yui;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.



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)**

*Executive Directors:*

Mr. Kan Che Kin, Billy Albert

Mrs. Kan Kung Chuen Lai

Ms. Li Shu Han, Eleanor Stella

Mr. Li Kai Yien, Arthur Albert

Mr. Yu Pen Hung

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent Non-executive Directors:*

Mr. Li Siu Yui

Mr. Ip Woon Lai

Mr. Lee Kong Leong

*Principal place of business*

*in Hong Kong:*

Flat 18, 1/F

Flourish Industrial Building

33 Sheung Yee Road

Kowloon Bay

Hong Kong

29 April 2008

*To the Shareholders and for information only,  
holder(s) of outstanding convertible notes of the Company*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE NEW SHARES  
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the Ordinary Resolutions to be proposed at the Annual General Meeting for the approval of (a) the proposed re-election of the Retiring Directors; (b) the grant to the Directors of the Proposed Issue Mandate; (c) the grant to the Directors of the Proposed Repurchase Mandate; and (d) the extension of the Proposed Issue Mandate by adding to it the aggregate amount of issued Shares repurchased under the Proposed Repurchase Mandate, as well as the AGM Notice.

\* for identification purposes only

## LETTER FROM THE BOARD

### PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 87, Ms. Li Shu Han, Eleanor Stella and Mr. Li Kai Yien, Arthur Albert, being executive Directors and Mr. Li Siu Yui, being an independent non-executive Director, shall retire from office and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Brief biography of the Retiring Directors to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

### PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 20 December 2007, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, inter alia, they are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

Resolutions to consider, and if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate as set out in resolutions 4 and 5 in the AGM Notice respectively will also be proposed at the Annual General Meeting. With reference to the Proposed Issue Mandate and the Proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant thereto. As at the Latest Practicable Date, the number of Shares in issue was 2,379,532,072 Shares. Subject to the passing of the resolution granting the Proposed Issue Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 475,906,414 Shares, representing 20% of the 2,379,532,072 issued Shares, upon the exercise of the Proposed Issue Mandate.

The Proposed Issue Mandate and the Proposed Repurchase Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the Proposed Issue Mandate and the Proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

## LETTER FROM THE BOARD

### ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Flat 18, 1/F, Flourish Industrial Building, 33 Sheung Yee Road, Kowloon Bay, Hong Kong on 22 May 2008 at 11:00 a.m. is set out on pages 13 to 16 of this circular.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish.

### PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 66, at any general meeting a resolution put to vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in case of the Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in case of the Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in case of the Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the proposed Ordinary Resolutions for approval of (a) the proposed re-election of the Retiring Directors; (b) the grant to the Directors of the Proposed Issue Mandate; (c) the grant to the Directors of the Proposed Repurchase Mandate; and (d) the extension of the Proposed Issue Mandate by adding to it the aggregate amount of issued Shares repurchased under the Proposed Repurchase Mandate are in the interests of the Company, the Shareholders and, in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of the Ordinary Resolutions.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Artel Solutions Group Holdings Limited**  
**Kan Che Kin, Billy Albert**  
*Chairman*



*This Appendix sets out the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the Annual General Meeting.*

## EXECUTIVE DIRECTORS

### **Ms. Li Shu Han, Eleanor Stella (“Ms. Li”)**

Ms. Li Shu Han, Eleanor Stella, aged 38, was appointed as an executive Director on 10 October 2007. Save for being an executive Director, Ms. Li does not hold any other position with any member of the Group.

Ms. Li holds a Bachelor of Science Accounting degree from University of South California. Ms. Li was admitted as a member of American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants in 1995. She has experience in accounting and corporate finance. Ms. Li is currently a director of Wealth Loyal Development Limited, a private company engaged in investment holding.

Ms. Li is a niece of Mr. Kan Che Kin, Billy Albert (“**Mr. Kan**”) and sister of Mr. Li Kai Yien, Arthur Albert, both are executive Directors. Mrs. Kan Kung Chuen Lai, an executive Director, is the spouse of Mr. Kan. Save as disclosed, Ms. Li does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, save for being an executive Director, Ms. Li did not hold any directorship in listed public companies in the last three years. Ms. Li was interested in 2,000,000 Shares, representing approximately 0.08% of the issued share capital of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

The Company has not entered into any service contract with Ms. Li and she has not been appointed for a specific term, but she is subject to retirement by rotation and re-election in accordance with the Articles of Association. Ms. Li is entitled to an annual remuneration of HK\$10,000. Her remuneration was determined with reference to her duties and responsibilities.

Save as disclosed, there is no information in relation to the re-election of Ms. Li which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Ms. Li that need to be brought to the attention of the Shareholders.

### **Mr. Li Kai Yien, Arthur Albert (“Mr. Li”)**

Mr. Li Kai Yien, Arthur Albert, aged 35, was appointed as an executive Director on 10 October 2007. Save for being an executive Director, Mr. Li does not hold any other position with any member of the Group.

Mr. Li graduated from University of Southern California with a Bachelor of Science degree in 1995. Mr. Li has been a Certified Public Accountant since 2001 and has more than 9 years' experience in accounting and securities trading. Mr. Li is currently a dealer representative of Phillip Securities (HK) Ltd.

Mr. Li is a nephew of Mr. Kan and brother of Ms. Li. Save as disclosed, Mr. Li does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, save for being an executive Director, Mr. Li did not hold any directorship in listed public companies in the last three years. Mr. Li was interested in 3,000,000 Shares, representing approximately 0.13% of the issued share capital of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

The Company has not entered into any service contract with Mr. Li and he has not been appointed for a specific term, but he is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Li is entitled to an annual remuneration of HK\$10,000. His remuneration was determined with reference to his duties and responsibilities.

Save as disclosed, there is no information in relation to the re-election of Mr. Li which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Li that need to be brought to the attention of the Shareholders.

#### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

##### **Mr. Li Siu Yui**

Mr. Li Siu Yui, aged 38, was appointed as an independent non-executive Director on 10 October 2007. Save for being an independent non-executive Director, Mr. Li Siu Yui does not hold any other position with any member of the Group.

Mr. Li Siu Yui holds a Master degree in Business Administration from University of Wales. He has over 9 years' experience in the area of investment. He was working in securities companies during the period from 1997 to 2002. He has been engaged as an investment manager of two private companies since 2002.

As at the Latest Practicable Date, save for being an independent non-executive Director, Mr. Li Siu Yui did not hold any directorship in listed public companies in the last three years and he was not interested in any Shares within the meaning of the SFO. He is not related to any Director, senior management, substantial or controlling shareholders of the Company.

The Company has not entered into any service contract with Mr. Li Siu Yui and he has not been appointed for a specific term, but he is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Li Siu Yui is entitled to an annual remuneration of HK\$50,000. His remuneration was determined with reference to his duties and responsibilities.

Save as disclosed, there is no information in relation to the re-election of Mr. Li Siu Yui which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Li Siu Yui that need to be brought to the attention of the Shareholders.

*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.*

**(1) SHARE CAPITAL**

As at the Latest Practicable Date, the number of Shares in issue was 2,379,532,072 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 237,953,207 Shares, representing 10% of the 2,379,532,072 issued Shares, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

**(2) SOURCE OF FUNDS**

Repurchases must be funded out of fund legally available for the purpose and in accordance with the Articles of Association and the laws of the jurisdiction in which the company is incorporated or otherwise established.

**(3) REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it may have adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2007. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**(4) SHARE PRICES**

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date:

Month	Price per Share	
	Highest HK\$	Lowest HK\$
<b>2007</b>		
May	<i>Note</i>	<i>Note</i>
June	<i>Note</i>	<i>Note</i>
July	<i>Note</i>	<i>Note</i>
August	<i>Note</i>	<i>Note</i>
September	<i>Note</i>	<i>Note</i>
October	<i>Note</i>	<i>Note</i>
November	<i>Note</i>	<i>Note</i>
December	<i>Note</i>	<i>Note</i>
<b>2008</b>		
January	<i>Note</i>	<i>Note</i>
February	0.5700	0.3850
March	0.4900	0.3000
April (up to and including the Latest Practicable Date)	0.4350	0.3000

*Note:* Trading in the Shares on the Stock Exchange has been suspended since 7 September 2006 and trading in the Shares on the Stock Exchange has been resumed on 18 February 2008.

**(5) DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the following Shareholder was interested in more than 10% of the issued Shares:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage of shareholding</b>
Kan Che Kin, Billy Albert	1,549,742,072 Shares	65.13%

In the event that the Directors shall exercise the Proposed Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate, the interest of the above Shareholder would be increased to approximately 72.36%. The Directors are not aware of any consequences of such increases under Rule 26 of the Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of its issued share capital being held in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares being held in public hands.

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

# NOTICE OF ANNUAL GENERAL MEETING



## 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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Artel Solutions Group Holdings Limited (the “**Company**”) will be held at Flat 18, 1/F, Flourish Industrial Building, 33 Sheung Yee Road, Kowloon Bay, Hong Kong on Thursday, 22 May 2008 at 11:00 a.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2007;
2. to re-elect Directors and to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;

and as special business and, if thought fit, passing the following resolutions as ordinary resolutions:

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

\* for identification purposes only

## NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by applicable laws or the articles of association of the Company to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;



## NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws or the articles of association of the Company to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

## NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

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

Hong Kong, 29 April 2008

*Principal place of business in Hong Kong:*

Flat 18, 1/F  
Flourish Industrial Building  
33 Sheung Yee Road  
Kowloon Bay  
Hong Kong

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy for use at the meeting must be deposited together with a power of attorney or other authority, if any, under it is signed or a notarially certified copy of that power or authority, at the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
4. As at the date of this notice, the board of Directors consists of 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 (all being executive Directors), and Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong (all being independent non-executive Directors).