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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)

INSIDE INFORMATION STRATEGIC COOPERATION FRAMEWORK AGREEMENT IN RELATION TO THE LNG BUSINESSES

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

The Company is pleased to announce that, on 22 April 2014 (after trading hours), the Company entered into the Framework Agreement with Suzhou Zhong Lu in relation to the Cooperation in Pingwang, Suzhou, Jiangsu Province in the PRC.

The Board wishes to emphasize that no binding agreement in relation to the Cooperation has been entered into as at the date of this announcement. As the Cooperation may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Cooperation will be made by the Company as and when appropriate in accordance with the Listing Rules.

This announcement is made by Artel Solutions Group Holdings Limited (the “Company” and its subsidiaries, collectively referred to as the “Group”) pursuant to Rule 13.09(2) of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The purpose of this announcement is to enable the shareholders of the Company (the “Shareholders”) and the public to appraise the position of the Group.

* *for identification purpose only*

Reference are made to the announcements of the Company dated 27 March 2014 and 31 March 2014 in relation to development of the liquefied natural gas (“LNG”) businesses in the People’s Republic of China (the “PRC”).

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (the “Board”) of directors (the “Director”) of the Company announces that on 22 April 2014, the Company entered into a strategic cooperation framework agreement (the “Framework Agreement”) with Administrative Committee of Suzhou Zhong Lu International Logistics Technology Park 蘇州中鱸國際物流科技園管委會 (“Suzhou Zhong Lu”) in relation to transformation of vessels, heavy vehicles and public vehicles from using fuel to LNG and construction of LNG refueling stations and docks in Pingwang, Suzhou, Jiangsu Province in the PRC (the “Cooperation”).

To the best of the knowledge, information and belief having made all reasonable enquiries by the directors of the Company and Suzhou Zhong Lu and their ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The Framework Agreement contemplates that:

- (1) Suzhou Zhong Lu agreed to provide suitable locations for construction of LNG refueling stations and docks in Suzhou Zhong Lu International Logistics Technology Park 蘇州中鱸國際物流科技園 (the “Logistics Technology Park”), whereas the Company agreed to construct LNG refueling stations and docks together with a mega stated owned enterprise;
- (2) the Company agreed to provide financial support, insurance services and operating leases services through Ping An Securities Limited (“Ping An”), a strategic partner of the Company, in relation to transforming fuel vehicles and vessels into LNG vehicles and vessels.
- (3) the Company agreed to provide financial assistance for reforming and renovating 100 vessels and 200 heavy vehicles to the owners of the vehicles and vessels at the initial stage;
- (4) After signing of the Framework Agreement, the Company will visit Pingwang together with a mega stated owned enterprise and Ping An to further discuss the procedures and planning in relation to the Cooperation;
- (5) Suzhou Zhong Lu will assist to communicate with the government to accelerate the approval process in the land, planning and project approval and provide tax incentives in relation to the Cooperation. At the same time, Suzhou Zhong Lu will be responsible for encouraging the government to transform the public transportation such as bus, coach, logistic truck and vessels from using fuel to LNG;

The Framework Agreement sets out the principal provisions for the Cooperation, the implementation of which will be governed by further agreements in greater details, if applicable.

Suzhou Zhong Lu and the Company agreed the strategic cooperation period is scheduled for five years. When the Framework Agreement expires, the parties give priority to renew the cooperation with each other.

INFORMATION ABOUT SUZHOU ZHONG LU AND REASON FOR ENTERING INTO THE FRAMEWORK AGREEMENT

Suzhou Zhong Lu was set up in 2013 and is governed by the Suzhou Municipal Government. Suzhou Zhong Lu is responsible for preparation and construction of Logistic Technology Park which situated at north of Pingwang, Wujiang District, Suzhou, Jiangsu Province in the PRC. The planning area of the Logistic Technology Park is 14.12 square kilometers, the first phase of development is 4 square kilometers. Currently, there are over 40 companies which come from European and Asian countries in the Logistic Technology Park. Most of the companies are high technology and energy saving in emerging industries involving electronics, machinery, logistic, textiles, sporting goods, etc.

The Taiapu river and the Beijing-Hangzhou Grand Canal pass through the Logistic Technology Park and there are thousands of vessels go through the said rivers daily, making the Logistic Technology Park a good location to construct the LNG docks and in transforming the fuel vessels into LNG vessels in order to protect the river and the environment. Moreover, Suzhou district has over 300 vessels, over 8,000 public vehicles and over 14,000 heavy trucks need to be transformed from using fuel to LNG in order to fulfill the requirement of using clean energy. Suzhou Zhou Lu has a responsibility to introduce the LNG technology for vehicles and industrials in the Logistic Technology Park in order to protect the environment.

The Company is principally engaged in property investment and trading of securities. The Group is actively exploring for business opportunities in other sectors to diversify its business into industries that provide better returns for the shareholders of the Company and broaden the sources of income of the Group. Since year 2013, the Company is engaging great effort in negotiations with governments in various provinces in the PRC in relation to the development of the LNG businesses in the PRC. On 31 March 2014, the Company entered into a letter of intent with CNOOC Yunnan Energy Corporation Limited and Yongping Business Bureau commissioned by the People's Government of Yongping County in relation to the possible cooperation in developing the LNG businesses in Yongping County, Yunnan Province in the PRC. On 2 April 2014, the Company announced the proposed change of the company name to China LNG Group Limited to reflect and emphasize the direction of the development of the scope of business of the Group in LNG businesses in future. Accordingly, the Company has decided to enter into the Framework Agreement with Suzhou Zhong Lu to expend the investment in LNG clean energy businesses in the PRC.

The investment in the Cooperation by the Company will be financed by internal resources and borrowings from financial institutions. On 27 March 2014, the Company entered into a strategic cooperation agreement with Ping An in relation to provision of integrated financial services for developing the LNG businesses in the PRC.

GENERAL

The Board wishes to emphasize that no binding agreement in relation to the Cooperation has been entered into as at the date of this announcement. As the Cooperation may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Cooperation will be made by the Company as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 22 April 2014

As at the date of this announcement, the executive Directors are Mr. Kan Che Kin, Billy Albert, 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.