

**ARTEL SOLUTIONS GROUP HOLDINGS LTD :
IT HAS DONE WELL IN THE PAST, BUT WHAT ABOUT THE FUTURE**

For a company, principally engaged in the trading of personal computer components, only, that company, having only been in business for the past 6 years, only, to be able to post a Net Profit Attributable to Shareholders for the 2000 Financial Year of nearly \$HK81 million, it must be considered quite spectacular.

That is the story, which is being told in the recently released Prospectus of Artel Solutions Group Holdings Ltd, to be known, soon, as Stock Code Number 931 on the Main Board of The Stock Exchange of Hongkong Ltd.

Artel Solutions is Offering 40 million New, one-cent Shares at a Premium of 59 cents per share and, at the same time, it is Placing 280 million New, one-cent Shares, also at the Premium of 59 cents per share.

The Founder and Chairman of the Company, Mr Yu Pen Hung, is, also, taking this opportunity to cash in part of his holdings by Placing 80 million of his shares on the same basis as the Company's offerings.

While Chairman Yu Pen Hung will be trotting down to his Taiwan bank with a little cash from his successful Share Placement, amounting to \$HK48 million, gross, his Company will be receiving about \$HK179.10 million, net.

This money is to be applied, Page 106 of the Prospectus suggests, as follows:

1. \$HK50 million for expansion of distribution and logistics networks in the People's Republic of China (PRC);
2. \$HK30 million for the collaboration with hardware and software developers and universities in the Hongkong Special Administrative Region (HKSAR) and the PRC, proper;
3. \$HK20 million to boost to the Company's consulting services;
4. \$HK10 million for the further development of distribution networks;
5. \$HK10 million for the development of a web-based supply chain management platform; and,
6. \$HK59.10 million to be tipped into the General Working Capital Account.

Artel Solutions appears to be coming to the Main Board at the time that it is hitting a record, in terms of its profits, as the following table, lifted from Page 129 of the Prospectus, illustrates:

	Financial Year ended December 31			Three Months to March 31
	1998	1999	2000	2001
	All Figures are Denominated in \$HK'000			
Turnover	580,097	750,432	978,667	307,830
Cost of Sales	(564,599)	(716,954)	(865,204)	(273,014)
Gross Profit	15,498	33,478	113,463	34,816
Other Revenue	2,792	3,961	3,010	1,517
Distribution Costs	(4,828)	(3,390)	(6,420)	(2,073)
Administrative Expenses	(5,749)	(4,142)	(13,634)	(4,802)

Profit from Operations	7,713	29,907	96,419	29,458
Finance Costs	Nil	(22)	(588)	(954)
Profit before Taxation	7,713	29,885	95,831	28,504
Taxation	(1,346)	(4,200)	(14,883)	(4,400)
Net Profit Attributable to Shareholders	6,367	25,685	80,948	24,104

For the Current Year, ending December 31, 2001, the Company is forecasting a Net Profit Attributable to Shareholders of not less than \$HK113 million.

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