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ARTINI
ARTINI CHINA CO. LTD.
雅天妮中國有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 00789)

PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 30 September 2008 as compared to a profit for the corresponding period ended 30 September 2007.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Artini China Co. Ltd. (the “Company” and together with its subsidiaries, the “Group”) 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”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 30 September 2008 as compared to a profit for the corresponding period ended 30 September 2007. Based on the preliminary assessment by the Board, the loss was mainly due to the following:-

- (i) the earthquake in Sichuan, the People’s Republic of China (the “PRC”), which weakened consumer sentiment in the PRC;
- (ii) the decrease in pedestrian throughput in commercial properties during the Beijing Olympic as a result of tighter security controls and the general public being attracted to the Olympic events;
- (iii) the global financial turmoil, which had a negative impact on the Chinese economy and the general consumer sentiment especially in the mid to high end product segments, resulting in a decrease in overall profitability of the Group and, in particular, the Group’s growing retail business;
- (iv) the performance of new retail stores opened during the six months ended 30 September 2008 was affected by the above factors, resulting in a slower breakeven period; and

- (v) an increase in provisions for bad debt due to the deterioration of the credibility of customers.

The Board is reviewing the Group's strategies and operations with a view to improving its business performance in the current weak market conditions.

The Company is in the process of finalising the unaudited interim results of the Group for the six months ended 30 September 2008. The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors. Finalised interim results of the Group and measures for improving business performance of the Group will be disclosed in the 2008 interim report which is expected to be published by the Company before the end of December 2008.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Artini China Co. Ltd.
Tse Chiu Kwan
Chairman

Hong Kong, 20 November 2008

As at the date of this announcement, the executive Directors are Mr. Tse Chiu Kwan, Ms. Yip Ying Kam, Mr. Xie Hai Hui and Ms. Ho Pui Yin, Jenny; and the independent non-executive Directors are Ms. Chan Man Tuen, Irene, Mr. Lau Fai, Lawrence and Mr. Fan William Chung Yue.