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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: 789)

DISCLOSEABLE TRANSACTION
PROVISIONAL AGREEMENTS FOR SALE AND PURCHASE
IN RELATION TO THE DISPOSALS OF PROPERTIES

THE DISPOSALS

The Board announces that on 14 October 2014 (after trading hours), (i) Gentleman Investments entered into the Provisional Agreement I with Mr. Dung and Mr. Fung for the disposal of the Property Unit I at a consideration of HK\$20,000,000; (ii) Gain Trade entered into the Provisional Agreement II with Ms. Lee for the disposal of the Property Unit II at a consideration of HK\$20,000,000; and (iii) Artist Empire entered into the Provisional Agreement III with Mr. Dung and Mr. Fung for the disposal of the Car Park at a consideration of HK\$4,000,000.

The respective formal agreements for the sale and purchase of the Properties are expected to be signed by the parties on or before 28 October 2014. Completion of the sale and purchase of the Properties shall take place on or before 15 January 2015.

LISTING RULES IMPLICATIONS

Aggregating the Disposals under the Provisional Agreements in accordance with Rule 14.22 of the Listing Rules, the aggregate consideration amounts to HK\$44,000,000. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals are more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board announces that on 14 October 2014 (after trading hours), (i) Gentleman Investments entered into the Provisional Agreement I with Mr. Dung and Mr. Fung for the disposal of the Property Unit I at a consideration of HK\$20,000,000; (ii) Gain Trade entered into the Provisional Agreement II with Ms. Lee for the disposal of the Property Unit II at a consideration of HK\$20,000,000; and (iii) Artist Empire entered into the Provisional Agreement III with Mr. Dung and Mr. Fung for the disposal of the Car Park at a consideration of HK\$4,000,000.

THE PROVISIONAL AGREEMENTS

The Provisional Agreement I

Date:	14 October 2014
Parties:	(1) Gentleman Investments as vendor (2) Mr. Dung and Mr. Fung as purchasers
Information on the Property Unit I:	Unit B1 on 1st Floor, Kaiser Estate, No. 41 Man Yue Street, Kowloon, Hong Kong
Gross floor area:	4,525 square feet
Consideration and payment:	HK\$20,000,000 (approximately HK\$4,420 per square feet) payable by the purchasers to Gentleman Investments in cash in the following manner: (1) an initial deposit of HK\$1,000,000 was paid on 14 October 2014 upon the signing of the Provisional Agreement I; (2) a further deposit of HK\$3,000,000 shall be payable upon signing of the formal agreement for sale and purchase on or before 28 October 2014; (3) the balance of consideration of HK\$16,000,000 shall be payable upon completion.

The above consideration was determined based on the current market price of the Property Unit I after arm's length negotiation among Gentleman Investments, Mr. Dung and Mr. Fung.

Completion Date: on or before 15 January 2015

Basic of purchase: the Property Unit I is sold to the purchasers on an “as is” basis

The Provisional Agreement II

Date: 14 October 2014

Parties: (1) Gain Trade as vendor
(2) Ms. Lee as purchaser

Information on the Property Unit II: Unit B on 2nd Floor, Kaiser Estate, No. 41 Man Yue Street, Kowloon, Hong Kong

Gross floor area: 4,510 square feet

Consideration and payment: HK\$20,000,000 (approximately HK\$4,435 per square feet) payable by the purchaser to Gain Trade in cash in the following manner:

- (1) an initial deposit of HK\$1,000,000 was paid on 14 October 2014 upon the signing of the Provisional Agreement II;
- (2) a further deposit of HK\$3,000,000 shall be payable upon signing of the formal agreement for sale and purchase on or before 28 October 2014;
- (3) the balance of consideration of HK\$16,000,000 shall be payable upon completion.

The above consideration was determined based on the current market price of the Property Unit II after arm’s length negotiation between Gain Trade and Ms. Lee.

Completion Date: on or before 15 January 2015

Basic of purchase: the Property Unit II is sold to the purchasers on an “as is” basis

The Provisional Agreement III

- Date: 14 October 2014
- Parties: (1) Artist Empire as vendor
(2) Mr. Dung and Mr. Fung as purchasers
- Information on the Car Park: Car Parking Space No. 26 on Ground Floor, Kaiser Estate, Nos. 37-45 Man Yue Street, Kowloon, Hong Kong
- Consideration and payment: HK\$4,000,000 payable by the purchasers to Artist Empire in cash in the following manner:
- (1) an initial deposit of HK\$200,000 was paid on 14 October 2014 upon the signing of the Provisional Agreement III;
 - (2) a further deposit of HK\$600,000 shall be payable upon signing of the formal agreement for sale and purchase on or before 28 October 2014;
 - (3) the balance of consideration of HK\$3,200,000 shall be payable upon completion.

The above consideration was determined based on the current market price of the Car Park after arm's length negotiation among Artist Empire, Mr. Dung and Mr. Fung.

- Completion Date: on or before 15 January 2015
- Basic of purchase: the Car Park is sold to the purchasers on an "as is" basis

Formal Agreements

The respective formal agreements for the sale and purchase of the Properties are scheduled to be entered into among the relevant Vendors and Purchasers on or before 28 October 2014.

Completion

Completion of the sale and purchase of the Properties shall take place on or before 15 January 2015. Vacant possession of the Properties shall be delivered to the relevant Purchasers upon completion.

INFORMATION ON THE PROPERTIES

The Properties have been used as the office premises of the Group in Hong Kong since their acquisitions save that part of the Property Unit I was leased to a company owned by Ms. Yip as to 25% for a term of one year from 1 May 2013 to 30 April 2014. Accordingly, the Group received a rental income of Nil and HK\$724,000 respectively for each of the financial years ended 31 March 2013 and 31 March 2014. The net profits (both before and after taxation) attributable to the Properties for the financial years ended 31 March 2013 and 31 March 2014 were Nil and HK\$291,180 respectively. The net book value of the Properties as at 31 March 2014 was HK\$7,035,000.

POSSIBLE FINANCIAL EFFECTS OF THE DISPOSALS

The aggregate net book values of the Properties, the attached leasehold improvement and the attached office equipment were carrying at approximately HK\$7,035,000, HK\$2,389,000 and HK\$175,000 as at 31 March 2014 respectively. The Company expects to realise an estimated gain from the Disposals of approximately HK\$34,401,000, which is expected to accrue to the Group (not taking into account the agency fees and other professional fees to be incurred), being the difference between the total consideration for the Properties and the total net book values of the Properties, the attached leasehold improvement and the attached office equipment as at 31 March 2014.

REASONS FOR THE DISPOSALS

The Properties are currently used as the headquarter office of the Group in Hong Kong. In view of the underutilisation of the Properties by the Group and the continuous increase in property prices in Hong Kong, the Group has been looking for suitable opportunities to realise the Properties at favourable prices since July 2014. Taking into account the estimated gain from the Disposals, the Directors consider that it is in the interests of the Company and the Shareholders to dispose of the Properties pursuant to the Provisional Agreements, capitalising on favourable market conditions to realise capital gain. It is the current intention of the Group to seek another property in Hong Kong smaller in size which is sufficient for the Group's business needs.

Based on the above, the Board (including the independent non-executive Directors) is of the view that the terms of the Provisional Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The proceeds arising from the Disposals will be used as general working capital of the Group and for future investment should such opportunities arise.

INFORMATION ON THE GROUP AND VENDORS

The Group is principally engaged in the design, manufacture, retailing and distribution and concurrent design manufacturing (CDM) of fashion accessories. As disclosed in the announcement of the Company dated 9 October 2014, the Company entered into a conditional disposal agreement with Mr. Tse for the disposal of the entire issued share capital of TCK Company Limited. Upon completion of the abovementioned disposal agreement, the Group will be principally engaged in the design, retailing and distribution of own brand fashion accessories.

Gentleman Investments and Gain Trade are indirect wholly-owned subsidiaries of the Company which principally engage in investment holding.

Artist Empire is an indirectly wholly-owned subsidiary of the Company which principally engages in trading of fashion accessories.

INFORMATION ON THE PURCHASERS

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchasers are Independent Third Parties independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATIONS

Aggregating the Disposals under the Provisional Agreements in accordance with Rule 14.22 of the Listing Rules, the aggregate consideration amounts to HK\$44,000,000. As the relevant applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals are more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors has a material interest in the Disposals. Therefore, none of the Directors are required to abstain from voting on the Board resolutions approving the Provisional Agreements, and the respective transactions contemplated thereunder.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expression shall have the following meaning when used herein:

“Artist Empire”	Artist Empire Jewellery Mfy. Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“associates”	shall have the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Car Park”	Car Parking Space No. 26 on Ground Floor, Kaiser Estate, Nos. 37-45 Man Yue Street, Kowloon, Hong Kong
“Company”	Artini China Co. Ltd., a company incorporated in Bermuda, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	directors of the Company
“Disposals”	the disposals of the Properties contemplated under the Provisional Agreements
“Gain Trade”	Gain Trade Enterprise Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Gentleman Investments”	Gentleman Investments Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Dung”	Mr. Dung Kwok Yee, an Independent Third Party
“Mr. Fung”	Mr. Fung Chi Wing, an Independent Third Party
“Mr. Tse”	Mr. Tse Hoi Chau, the Chairman, an executive Director and a controlling shareholder
“Ms. Lee”	Ms. Lee Yuk Hing, an Independent Third Party
“Ms. Yip”	Ms. Yip Ying Kam, a previous Director who ceased to be the Director on 13 April 2014
“Properties”	the Property Unit I, the Property Unit II and the Car Park
“Property Unit I”	Unit B1 on 1st Floor, Kaiser Estate, No. 41 Man Yue Street, Kowloon, Hong Kong
“Property Unit II”	Unit B on 2nd Floor, Kaiser Estate, No. 41 Man Yue Street, Kowloon, Hong Kong
“Provisional Agreement I”	the provisional agreement for sale and purchase dated 14 October 2014 entered into among Gentleman Investments as vendor, and Mr. Dung and Mr. Fung as purchasers in relation to the disposal of the Property Unit I
“Provisional Agreement II”	the provisional agreement for sale and purchase dated 14 October 2014 entered into between Gain Trade as vendor and Ms. Lee as purchaser in relation to the disposal of the Property Unit II

“Provisional Agreement III”	the provisional agreement for sale and purchase dated 14 October 2014 entered into among Artist Empire as vendor, and Mr. Dung and Mr. Fung as purchasers in relation to the disposal of the Car Park
“Provisional Agreements”	the Provisional Agreement I, the Provisional Agreement II and the Provisional Agreement III
“Purchasers”	Mr. Dung, Mr. Fung and Ms. Lee
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Gentleman Investments, Gain Trade and Artist Empire
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Artini China Co. Ltd.
Tse Hoi Chau
Chairman

Hong Kong, 14 October 2014

As at the date of this announcement, the executive Directors are Mr. Tse Hoi Chau (Chairman) and Mr. Lin Shao Hua; and the independent non-executive Directors are Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Zeng Zhaohui.