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A R T I N I
ARTINI CHINA CO. LTD.
雅天妮中國有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 789)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

The board (the “Board”) of directors (the “Directors”) of Artini China Co. Ltd. (the “Company”) hereby presents the unaudited consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2015. The interim financial statements have not been audited, but have been reviewed by the Company’s audit committee (the “Audit Committee”).

CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 September 2015
(Expressed in Hong Kong dollars)*

		For the six months ended 30 September (unaudited)	
	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
Turnover	4	10,538	69,100
Cost of sales		<u>(9,800)</u>	<u>(61,624)</u>
Gross profit		738	7,476
Other revenue	5	27	223
Other net (losses) gains	6	(6,270)	310
Selling and distribution costs		(30,143)	(8,139)
Administrative expenses		(10,373)	(34,200)
Other operating expenses		<u>–</u>	<u>(10)</u>
Loss from operations		(46,021)	(34,340)
Finance costs	7	<u>–</u>	<u>(1,048)</u>

		For the six months ended 30 September (unaudited)	
		2015	2014
	<i>Notes</i>	HK\$'000	HK\$'000
Loss before taxation	7	(46,021)	(35,388)
Income tax	8	—	—
Loss for the period		<u>(46,021)</u>	<u>(35,388)</u>
			(Restated)
Loss per share (HK\$)			
Basic and diluted	10	<u>0.019</u>	<u>0.057</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

(Expressed in Hong Kong dollars)

	For the six months ended	
	30 September	
	(unaudited)	
	2015	2014
	HK\$'000	HK\$'000
Loss for the period	(46,021)	(35,388)
Other comprehensive income:		
Exchange differences on consolidation	1,178	(595)
Disposals of disposed companies	—	179
Total comprehensive loss for the period, net of tax	(44,843)	(35,804)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

(Expressed in Hong Kong dollars)

		As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		1,242	1,607
Investment properties		–	8,901
Deferred tax assets		63	63
		<u>1,305</u>	<u>10,571</u>
Current assets			
Inventories		3,502	3,515
Trade and other receivables	<i>11</i>	40,016	19,154
Cash and cash equivalents		68,037	122,822
		<u>111,555</u>	<u>145,491</u>
Current liabilities			
Trade and other payables	<i>12</i>	16,836	25,794
Current tax payable		159	159
		<u>16,995</u>	<u>25,953</u>
Net current assets		<u>94,560</u>	<u>119,538</u>
Total assets less current liabilities		<u>95,865</u>	<u>130,109</u>
NET ASSETS		<u>95,865</u>	<u>130,109</u>
CAPITAL AND RESERVES			
Share capital	<i>13</i>	25,698	24,746
Reserves		70,167	105,363
TOTAL EQUITY		<u>95,865</u>	<u>130,109</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1 COMPANY BACKGROUND

The Company was incorporated in Bermuda on 30 May 2007 as an exempted company with limited liability under the Bermuda Companies Act 1981. Its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 16 May 2008. The Company and its subsidiaries (the “Group”) are principally engaged in the design, retailing and distribution of fashion accessories.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2015 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2015, as described in those annual financial statements.

The following new and amended standards are mandatory for the first time for the financial year beginning on 1 April 2015.

Standards/Interpretations	Subject of amendment
Amendment to HKAS19	Defined benefit plans
Annual improvements 2012	Annual improvements 2010-2012 cycle
Annual improvements 2013	Annual improvements 2011-2013 cycle

The adoption of the above new and amended standards and interpretations did not have a material impact on the Interim Financial Information.

4 SEGMENT REPORTING

Prior to disposal of TCK Company Limited and its subsidiaries “TCK Group”, disposed manufacturing subsidiaries of the Group, (i.e. for the six months ended 30 September 2014), the Group’s reportable and operating segments were as follows:

Retailing and Distribution:	The manufacture and sale of own brand fashion accessories
CDM Sales:	Manufacturing depending on the customer’s chosen level of participation in the design process, concurrently works with its customer in designing the products and produces the same according to the customer’s desired final design

Upon the completion on the disposal of TCK Group, which was mainly the manufacturing arm of the Group, on December 2014, the Company changed its reportable and operating segments as follows:

Retailing and Distribution: Sale of own brand fashion accessories

CDM Sales: Sale of products at the customer's chosen level of participation in the design process, concurrently works with its customer in designing the products and coordinating the manufacturers according to the customer's desired final design

The segment results for the six months ended 30 September 2015 and 2014 are presented below:

	Six months ended 30 September 2015 – unaudited					
	Retailing and distribution			CDM sales	Inter-segment elimination	Consolidated
	Mainland		Sub-total			
	China	Hong Kong				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	580	-	580	9,958	-	10,538
Inter-segment revenue	-	-	-	-	-	-
Reportable segment revenue	<u>580</u>	<u>-</u>	<u>580</u>	<u>9,958</u>	<u>-</u>	<u>10,538</u>
Reportable segment profit/(loss)	<u>(34,961)</u>	<u>-</u>	<u>(34,961)</u>	<u>(713)</u>	<u>-</u>	<u>(35,674)</u>
Unallocated expenses						<u>(10,347)</u>
Loss for the period						<u>(46,021)</u>
	Six months ended 30 September 2014 – unaudited					
	Retailing and distribution			CDM sales	Inter-segment elimination	Consolidated
	Mainland		Sub-total			
	China	Hong Kong				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	3,775	1,631	5,406	63,694	-	69,100
Inter-segment revenue	-	-	-	-	-	-
Reportable segment revenue	<u>3,775</u>	<u>1,631</u>	<u>5,406</u>	<u>63,694</u>	<u>-</u>	<u>69,100</u>
Reportable segment profit/(loss)	<u>(9,028)</u>	<u>(2,802)</u>	<u>(11,830)</u>	<u>(16,319)</u>	<u>-</u>	<u>(28,149)</u>
Unallocated expenses						<u>(7,239)</u>
Loss for the period						<u>(35,388)</u>

5 OTHER REVENUE

	For the six months ended 30 September (unaudited)	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	–	69
Interest income	10	22
Others	17	132
	<u>27</u>	<u>223</u>

6 OTHER NET (LOSSES) GAINS

	For the six months ended 30 September (unaudited)	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net exchange (losses) gains	(3,463)	373
Net losses on disposals of property, plant and equipment	–	(1,757)
Net losses on disposal of investment properties	(3,077)	–
Net gain on disposals of Disposed Companies	–	164
Reversal of impairment losses on other receivables recognized	270	1,530
	<u>(6,270)</u>	<u>310</u>

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	For the six months ended 30 September (unaudited)	
	2015	2014
	HK\$'000	HK\$'000
(a) Finance costs:		
Interest on borrowings wholly repayable within five years	—	1,048
	<u>—</u>	<u>1,048</u>
(b) Other items:		
Depreciation		
– other assets	612	1,259
– Investment properties	121	256
Amortization of prepaid lease payment	—	267
Operating lease charges in respect of properties:		
– minimum lease payments	824	5,230
Share – based payment to the Consultants	186	—
Cost of inventories recognised as an expense	9,800	61,624

8 INCOME TAX

	For the six months ended 30 September (unaudited)	
	2015	2014
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits tax		
Under-provision in prior years	—	—
Current tax – PRC Enterprise income tax		
Provision for the period	—	—
Over-provision in prior years	<u>—</u>	<u>—</u>
Income tax expense	<u>—</u>	<u>—</u>

Notes:

- (i) Pursuant to the income tax rules and regulations of Bermuda and the British Virgin Islands (the “BVI”), the Group is not subject to income tax in Bermuda and the BVI.
- (ii) No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2015 as there was no assessable profits in Hong Kong for the Period.
- (iii) Arts Empire Macao Commercial Offshore Limited was established as a Macao offshore company under the Macao Offshore Law and is exempted from the Macao Complementary Tax.
- (iv) Alfreda International Company Limited is subject to the Macao Complementary Tax. No provision is made during the period as the company sustained tax losses.
- (v) Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (the “New Tax Law”), effective from 1 January 2008, the statutory income tax rate applicable to the Company’s subsidiaries in Shenzhen has changed from 15% to 25% progressively under a 5-year transition period from calendar years 2008 to 2012 (2008: 18%; 2009: 20%; 2010: 22%; 2011: 24%; 2012: 25%).
- (vi) Under the New Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC entities. However, only the dividends attributable to the profits of the financial period starting from 1 January 2008 are subject to the withholding tax. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investor. Pursuant to a double tax arrangement between the PRC and Hong Kong, the Group is subject to a withholding tax at the rate of 5% for any dividend payments from certain of the Group’s PRC subsidiaries.

9 DIVIDENDS

The Board does not recommend an interim dividend for the six months ended 30 September 2015 (for the six months ended 30 September 2014: Nil).

10 LOSS PER SHARE

The calculation of the basic and diluted loss per share is as follows:

Basic loss per share

	For the six months ended 30 September (unaudited)	
	2015	2014
Loss attributable to owners of the Company (<i>HK\$'000</i>)	<u>46,021</u>	<u>35,388</u>
Weighted average number of ordinary shares At 1 April and at 30 September (<i>number of shares</i>)	<u>2,485,045,016</u>	<u>618,660,162</u>
Basic loss per share (<i>HK\$</i>)	<u>0.019</u>	<u>0.057</u>

Diluted loss per share for six-month period ended 30 September 2015 and 30 September 2014 is not presented because the exercise of outstanding share options during the period have anti-dilutive effect on the basic loss per share.

Note: The weighted average number of ordinary shares for the six-month period ended 30 September 2014 for the purpose of basic earnings per share has been restated for the share consolidation effective on 18 November 2014.

11 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors (net of impairment losses) with the following ageing analysis:

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Trade debtors		
Current	6,620	3,145
Less than 3 months past due	–	–
3 to 6 months past due	–	–
Over 6 months past due	247	158
Total trade debtors, net of impairment losses	6,867	3,303
Rental deposits	387	2,250
Advance to staff	114	804
Receivables from disposals of subsidiaries	100	100
Prepayment for acquisition of trademarks	31,000	–
Prepayment and other receivables	1,548	12,697
	40,016	19,154

The Group continues to adopt a policy of dealing principally with customers with whom the Group has enjoyed a long cooperation relationship so as to minimise credit risk in its business.

All of the trade and other receivables are expected to be recovered within one year.

Impairment losses in respect of trade debtors are recorded using an allowance for doubtful debt account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

12 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following ageing analysis:

	As at 30 September 2015 (unaudited) HK\$'000	As at 31 March 2015 (audited) HK\$'000
Trade creditors		
By date of invoice:		
Within 3 months	4,633	1,083
More than 3 months but within 6 months	–	–
More than 6 months but within 1 year	105	–
Over 1 year	<u>219</u>	<u>3,011</u>
Trade creditors	4,957	4,094
Receipts in advance	1,875	6,430
VAT and other tax payables	–	13
Accrued wages and staff costs	147	819
Accrued charges and other payables	<u>9,857</u>	<u>14,438</u>
	<u>16,836</u>	<u>25,794</u>

All of the trade and other payables are expected to be settled within one year.

13 SHARE CAPITAL

	Unaudited		Audited	
	As at 30 September 2015		As at 31 March 2015	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.01 each	<u>30,000,000,000</u>	<u>300,000</u>	<u>30,000,000,000</u>	<u>300,000</u>
Issued and fully paid:				
At the beginning and the end of the period	<u>2,569,840,644</u>	<u>25,698</u>	<u>2,474,640,644</u>	<u>24,746</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares ranked equally with regard to the Company's residual assets.

14 CAPITAL COMMITMENTS

	As at 30 September 2015 (unaudited) <i>HK\$'000</i>	As at 31 March 2015 (audited) <i>HK\$'000</i>
Capital expenditure in respect of acquisition of property, plant and equipment:		
– Contracted for but not provided in the condensed consolidated financial statements	<u>3,337</u>	<u>3,470</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 30 September 2015 (the “Period”), the Group recorded a total turnover of approximately HK\$10,538,000 (for the six months ended 30 September 2014: approximately HK\$69,100,000), representing a decrease of approximately 84.7% as compared with the same period last year. Gross profit was approximately HK\$738,000 (for the six months ended 30 September 2014: approximately HK\$7,476,000), representing a decrease of approximately 90.1% as compared with the same period last year. During the Period, loss attributable to the owners of the Company further widened to approximately HK\$46,021,000 (for the six months ended 30 September 2014: loss of approximately HK\$35,388,000). The increase of loss for the Period is attributable to (i) the decrease in the Group’s revenue of approximately 84.7% for the six-month period ended 30 September 2015 as compared to that of the corresponding period in 2014; and (ii) the increase in selling expenses as a result of promotion for the retailing business. Loss per share was HK\$0.019 (for the six months ended 30 September 2014: loss of HK\$0.057 (Restated)).

Retail Business

During the Period, the Group’s retailing business was affected by the weakened consumer sentiment caused by economic uncertainties in Mainland China and strategic closures of the Group’s retail shops in order to reduce its rental burdens. As at 30 September 2015, the Group had two retailing points (As at 30 September 2014, 11 retailing points) throughout the PRC. During the Period, the retail business recorded a turnover of approximately HK\$580,000 (for the six months ended 30 September 2014: approximately HK\$5,406,000), accounting for approximately 5.5% (2014: 7.8%) of the Group’s total turnover and representing a decrease of approximately 29.5% (2014: 72.9%) as compared with the same period last year.

Based on the past experiences, the unsatisfactory performance in retailing business was mainly resulted from shops with high rental costs in first-class shopping malls in PRC. Further, the management expects the rental of the shops in PRC will decrease due to recent uncertainties of economies in PRC. Hence, it is believed that the Group can enjoy the lower rent when opening new shops later.

Notwithstanding our reduced scale of retailing operation, the management considers the promotion is necessary. It is believed that maintenance of brand awareness depends on the continuous promotion. Once promotion suspends, we may lose the awareness on our brands from customers. In effort to continue to build up our brand, we had to continue our brand promotion during the period.

As at 30 September 2015, the number of VIP customers of “Artini” was approximately 138,000, representing an increase of 2.8% over the same period last year. The Group believed that loyal customers contributed a key portion of the Group’s revenue. By analyzing the shopping habits of our VIP customers and thereby understanding their preferences, the Group has consistently developed new series of products and strategically organised promotional activities to raise brand awareness among its existing and potential customers.

Concurrent Design Manufacturing (“CDM”) Business

After completion of disposal on the TCK Group, CDM sales have changed to the sales of the products at the customer’s chosen level of participation in the design process, concurrently works with the customers in designing the products and coordinating the manufacturers according to the customer desired final design. Hence, the customers have significantly changed.

Due to the change in the customer base and the keen competition on export of the fashion accessories during the Period, the turnover decreased from HK\$63,694,000 for six month ended 30 September 2014 to HK\$9,958,000 for six month ended 30 September 2015.

However, although the turnover of export business decreased significantly, the performance of the export business improved. During the period, the losses in CDM business decreased to approximately HK\$713,000 (for the six-month period ended 30 September 2014: approximately HK\$16,319,000). Such improvement is mainly attributable to the avoidance of the fixed costs in the factory as a result of the disposal of the subsidiaries.

Financial Review

For the Period, the Group recorded a total turnover of approximately HK\$10,538,000, representing a decrease of 84.7% as compared with the same period in 2014. The decrease was mainly due to the restructuring the location of retailing points. During the Period, the turnover of the retailing and distribution and export businesses were approximately HK\$580,000 and approximately HK\$9,958,000 respectively, accounting for approximately 5.5% and approximately 94.5% of the total turnover of the Group. The Group’s turnover was mainly derived from the PRC, Hong Kong and Europe, which accounted for 62.0%, 19.1% and 18.9%.

During the Period, gross profit decreased by approximately 90.1% to approximately HK\$738,000. Gross profit margin decreased to approximately 7.0% (for the six months ended 30 September 2014: approximately 10.8%). The cost of sales for the Period decreased by approximately 84.1% from approximately HK\$61,624,000 for the six months ended 30 September 2014 to approximately HK\$9,800,000 for the six months ended 30 September 2015. The decrease in cost of sales is mainly resulted from the decrease in the operation scale along with turnover. Further, due to disposal of the TCK Group, our CDM Sales have changed in terms of customer profile and sales. The transactions in new CDM Sales generally generate lower gross profit margin than those in manufacturing business.

Selling and distribution costs for the Period increased by approximately 270.4% to approximately HK\$30,143,000 as compared to approximately HK\$8,139,000 for the corresponding period in 2014. This increase in selling expenses is mainly resulted from continuous promotion of the retailing business in order to maintain our brand.

The Group did not incur any income tax for the six months ended 30 September 2015 (for the six months ended 30 September 2014: Nil).

Liquidity and Financial Resources

As at 30 September 2015, the Group did not maintain any borrowings (As at 30 September 2014: approximately HK\$19,000,000 which was denominated in Hong Kong Dollars, secured by a pledge over a property with a carrying value of approximately HK\$6,870,000).

The Group continues to adopt a policy of dealing principally with customers with whom the Group has enjoyed a long cooperation relationship so as to minimise credit risk in its business.

Dividend

The Board does not recommend the payment of any interim dividends for the Period.

Foreign Exchange Exposure

The main business activities of the Group take place in the PRC and Hong Kong. Accordingly, the Board considers that the potential foreign exchange exposure of the Group is relatively limited. Moreover, the Group has not used any forward contracts or hedging products to hedge its interest rate or exchange rate risks during the Period. The management will, nonetheless, continue to monitor foreign currency risks and to learn more relevant information from financial institutions. During the Period, the Group recorded a net exchange loss of approximately HK\$3,463,000. The exchange losses are mainly resulted from depreciation of Renminbi during the Period.

Significant Investments and Acquisitions

During the Period, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries or associated companies. The Group continues to seek opportunities to acquire and cooperate with international customers in order to generate better returns for its shareholders. In addition, the Board will decide what the best available source of funding is for investments and acquisitions when suitable opportunities arise.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2015 (31 March 2015: Nil).

Human Resources

As at 30 September 2015, the Group had approximately 30 employees. During the Period, the total staff cost including directors' emoluments amounted to approximately HK\$3,130,000. To enhance the expertise, product knowledge, marketing skills and overall operational management skills of its employees, the Group organised regular training and development courses for its employees, and provided them with a competitive remuneration package, including salary, allowance, insurance, commission and bonus. Meanwhile, in order to create a harmonious and family-like working atmosphere, the Group emphasizes on listening to employees and continually developing paths for staff promotion.

Investor Relations

The Group strongly believes that investor relations are important to a listed company. Maintaining relationships with investors and keeping them abreast of the latest corporate information and business development in a timely manner would enhance the transparency and corporate governance of the Group, thus strengthening its corporate position. Our investor relationship representatives will more actively participate in various investor-related activities.

Prospects

In 2015, in the face of the slowdown of China's economic growth and the weak consumption demand, the retailing market remained in the wintry stage. Retailing brands have entered into a challenging period during which only the fittest survive. Under such difficult macro-environment, it was a mounting challenge for the management of the Company. In the reporting period, the Group was in search of a suitable development path through constantly integrating our resources, minimizing costs and enhancing efficiency.

In the future, the Group will promote the transformation of the "Internet Plus" model, expand the online marketing channels through e-commerce platforms and promote internet-based shops to facilitate a deep integration of online and offline business. With only two remaining retail points, though, "ARTINI" owns huge loyal customer resources, and therefore the management of the Company still holds confidence in the "ARTINI" brand. To maintain the brand awareness, the Company will continue to engage in media propaganda and expects to further decline rentals of shopping malls. Once the rentals become reasonable, the Company will consider to open new shops in suitable positions.

In respect of business, smart wearable devices became a new hotspot of e-consumption in 2015. The smart wearable device market is expected to reach RMB11.27 billion and to enter into a rapid growth period in the next two years. China will become a consumption power of smart wearable devices, and therefore the management of the Company believe that there will be much room for development for female smart wearable products. In the future, the Company plans to promote fashionable and smart female health products with the combination of intellectual technology and traditional jewelry.

In addition, the Group will seek potential projects in the future to realize the scale expansion and resources integration of the Company and promote a rapid transformation and upgrade of the Company which may have a positive impact on its future development.

CORPORATE GOVERNANCE

Corporate Governance Practice

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company has complied with the code provisions in the CG Code for the Period, except for the following deviation:

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 21 June 2013 onwards, the roles of chairman and chief executive of the Company were performed by Mr. Tse Hoi Chau.

The Board considers that vesting the roles of chairman of the Board and chief executive of the Company in the same individual is beneficial to the business prospects and management of the Company. The Board will review the need of appointing suitable candidate to assume the role of chief executive if and when necessary.

Model Code for Directors’ Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code for the Period.

Audit Committee

The audit committee of the Company (the “Audit Committee”) was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Lau Fai Lawrence (Chairman), Mr. Lau Yiu Kit and Mr. Zeng Zhaohui, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. The Audit Committee has reviewed the unaudited interim financial information and interim report for the Period.

Remuneration Committee

The remuneration committee of the Company (the “Remuneration Committee”) was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises four members, namely Mr. Zeng Zhaohui (Chairman), Mr. Lau Fai Lawrence and Mr. Lau Yiu Kit, the independent non-executive Directors and Mr. Tse Hoi Chau, an executive Director. The primary duties of the Remuneration Committee are to make recommendations to the Board on remuneration of the Directors and senior management of the Company.

Nomination Committee

The nomination committee of the Company (the “Nomination Committee”) was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The Nomination Committee comprises four members, namely Mr. Lau Fai Lawrence (Chairman), Mr. Lau Yiu Kit and Mr. Zeng Zhaohui, the independent non-executive Directors and Mr. Tse Hoi Chau, an executive Director. The primary function of the Nomination Committee is to review the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy.

Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme on 23 April 2008. Detail arrangement for the share option scheme shown as below:

Date of grant	Number of share		Exercise price (HK\$)	Name of shares underlying the options granted to Directors	
	options granted	Exercisable period		Tse Hoi Chau	Lin Sha Hua
28.03.2014	60,042,600	28.03.2014 – 27.03.2019	0.4709	6,671,400	6,671,400
09.07.2015	61,800,000	09.07.2015 – 08.07.2020	0.1470	20,000,000	20,000,000

Up to the date of this announcement, none of the outstanding share options were exercised.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement of unaudited interim results for the six months ended 30 September 2015 is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.artini-china.com.

The 2015 interim report of the Company will be dispatched to the shareholders of the Company and made available on the above websites in due course.

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

Hong Kong, 25 November 2015

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. Zheng Zhaohui.