

To: Business Editor (For Immediate Release)



Artini Announces Annual Results for the 12 Months Ending 31 March 2010

Revamping the Business Development Blueprint Establishing “Artini Lifestyle” with Large Corporations

Financial Highlights	For 12 months ending 31 March (HKD'000)		
	2010	2009	Change
Turnover	366,119	564,101	(35.1%)
Gross Profit (Gross Profit Margin)	175,777 (48.0%)	237,608 (42.1%)	(26.0%)
Loss Attributable to Shareholders	(100,449)	(140,529)	(28.5%)
Loss per Share (HKD)	(0.098)	(0.145)	(32.4%)

(Hong Kong, 30 July 2010) – Artini China Co. Ltd (“Artini,” or the “Group”) (SEHK: 789) announced its annual results for the year ending 31 March 2010 (the “Year”).

During the Year, the Group recorded the turnover of HK\$366,119,000 (2009: HK\$564,101,000), a decrease of 35.1% from last year, which was mainly due to the Group’s business consolidation, and adjustment on the number of retail outlets and distributors discounts in response to the market conditions. The gross profit was HK\$175,777,000 (2009: HK\$237,608,000), a decrease of 26.0% compared to last year. However, the gross profit margin increased to 48.0% from 42.1% because of the Group’s adjusting strategy in operations and implementation of cost control measures. The loss attributable to shareholders was HK\$100,449,000 (2009: loss of HK\$140,529,000), and the loss narrows due to the improvement of the gross profit margin. Loss per share was HK\$0.098 (2009: HK\$0.145). The board does not recommend the payment of a final dividend for the 12 months ending 31 March 2010 (2009: Nil).

Mr. Eric Tse, Chairman of Artini said, “Over the past year, the Group had re-planned its overall development. During the Year, the Group has been carrying out its “Multi-brand” strategy. In addition to Artini and Q’ggle, the Group has successfully developed Q’ggle Lingerie, entering the lingerie market for younger female. License distribution business has also gained breakthroughs. During the year, the Group has entered into special licensing agreements with soccer legend Pelé and Federazione Italiana Giuoco Calcio (the “FIGC”), successfully opening up the business of football-related accessories and premiums. As for the Concurrent Design Manufacturing (CDM) business, souvenirs and premiums manufactured by the Group to celebrate the 35th anniversary of the evergreen brand “Hello Kitty” has gained unprecedented success. Meanwhile, the group is also designing and manufacturing the premiums and souvenirs for 2010 Shanghai World Expo as well as 2010 Asian Games, taking the brand to a higher level.”

Mr. Tse added, “The Group is very confident in development prospect in the coming year. Currently, the Group is sparing efforts to explore business opportunities to cooperate with large-sized enterprises. The Group has signed letter of intent with a cooperation partner in July this year, aiming to become the first fashion accessories brand working with China Post to develop distribution channels for direct mail order and make its home in Postal service halls nationwide. Meanwhile, the Group will strive to continue to expand the CDM business, providing a one-stop service with our well-established vertically integrated business model. With its core competitiveness, the Group strives to attract more international brands with our excellent design and craftsmanship. Meanwhile, the Group is choosing a suitable person as our brand endorser to establish a more explicit brand image and ‘Artini’s life style’ of delicate, tasteful, and fashionable.”

Turnover by Segment	For the Year ended 31 March (HK\$'000)			
	2010	% of total turnover	2009 年	% of total turnover
Retail business	152,203	41.6%	273,182	48.4%
CDM business	213,916	58.4%	290,919	51.6%
Total	366,119	100.0%	564,101	100.0%

About Artini China Co. Ltd. (HKEX: 789)

The Group has accumulated over 18 years of experiences in fashion accessories industry. Its core businesses are (1) retail brand management, operation & development, (2) Concurrent Design Manufacturing (“CDM”). Under the Group’s brand portfolio, it had initially launched 2 proprietary brands, Artini and Q’ggle; and then brought in world famous licensing brands of NBA, Barbie and Disney. Q’ggle Lingerie has been launched recently for the young female and Artist Empire will tap into the gifts and premiums market. Our brands are distributed in the PRC, Hong Kong, and Macau through retail stores, concessions, authorized retail outlets and online platforms. By means of a well-established vertically integrated business model, the Group is selling merchandise while implementing the CDM model to develop, design, and manufacture products for the Group’s seven brands and world-renowned brands including Marks & Spencer, Playboy, Disney, Nine West, Givenchy and Anne Klein of over 10 million pieces annually, distributing to the PRC, Europe and America etc. The Group strives to be the leading fashion accessories brand operator in China.

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Issued by **PR ASIA Consultants Limited** on behalf of **Artini China Co. Ltd.**

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