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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)**

**PROPOSED CHANGE OF AUDITORS  
END OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE  
DIRECTOR AND RESIGNATION OF MEMBER OF AUDIT COMMITTEE,  
REMUNERATION COMMITTEE, NOMINATION COMMITTEE  
AND SPECIAL COMMITTEE  
CHANGE OF SPECIAL CONSULTANT  
DISPATCH OF NOTICE AND CIRCULAR**

**PROPOSED CHANGE OF AUDITORS**

The Board hereby announces that KPMG have declined to stand for re-appointment as auditors of the Company at the forthcoming Annual General Meeting. In this connection, new auditors will be appointed at the forthcoming Annual General Meeting. Details of the new auditors will be announced as soon as practicable.

**END OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND  
RESIGNATION OF COMMITTEE MEMBER**

The Board also announces that Ms. Chan Man Tuen, Irene's appointment as an independent non-executive director of the Company comes to an end on 31 August 2010 and will not be seeking re-election. Consequently, her position as a member of each of the audit committee, the remuneration committee, the nomination committee and the special committee of the Company will also become vacant with effect from 1 September 2010.

Following the retirement of Ms. Chan, the Company will only have two independent non-executive directors and two audit committee members, the number of which falls below the minimum number required under Rule 3.10(1) and Rule 3.21 of the Listing Rules. The Board will appoint an appropriate person to fill the vacancy as soon as possible within three months from 1 September 2010 pursuant to Rule 3.11 and Rule 3.23 of the Listing Rules. Further announcement will be made by the Company in relation to such appointment as and when appropriate.

## **CHANGE OF SPECIAL CONSULTANT**

The Board announced on 29 July 2010 that in light of the matters qualified by KPMG in their opinion on the Group's financial statements for the year ended 31 March 2010, the Board established the special committee to look into items in the temporary payment account of the Company and that for this purpose, the Board would appoint SHINEWING to be the Company's consultant in reviewing the internal control system of the Company.

Subsequent to the announcement on 29 July 2010, the Company and SHINEWING have not reached an agreement on the terms of engagement including scope, fee and resources to be dedicated to the engagement. Therefore, the Company is currently considering other professional consultants in this regard and further details in relation to the appointment of such professional consultant will be announced once an appointment is made.

## **DISPATCH OF NOTICE AND CIRCULAR**

Notice of the Annual General Meeting will be included in the circular of the Company in relation to the Annual General Meeting to be dispatched by the Company on or before 31 August 2010.

## **PROPOSED CHANGE OF AUDITORS**

The board of directors (the "Board") of Artini China Co. Ltd. (the "Company", together with its subsidiaries, the "Group") hereby announces that KPMG have declined to stand for re-appointment as auditors of the Company at the forthcoming annual general meeting of the Company (the "Annual General Meeting") as set out in a letter to the Board and the audit committee of the Company dated 17 August 2010. In this connection, new auditors will be appointed at the forthcoming Annual General Meeting. Details of the new auditors will be announced as soon as practicable.

The circumstances leading to the cessation of KPMG to act as the Company's auditors are detailed in the auditor's report dated 29 July 2010 in respect of the Group's financial statements for the year ended 31 March 2010. KPMG issued a qualified opinion since there was a limitation in the scope of KPMG's work and KPMG were therefore unable to obtain sufficient appropriate audit evidence in respect of certain matters as described under the heading of "Basis for qualified opinion" in the auditor's report. The auditor's report with the qualified opinion has been extracted and disclosed in the Company's results announcement for the year ended 31 March 2010 dated 29 July 2010 and is also set out on pages 51 to 52 of the annual report of the Company for the year ended 31 March 2010.

KPMG have confirmed in their letter dated 17 August 2010 that, other than the foregoing, there are no matters in connection with their cessation to act as the Company's auditors that they consider need to be brought to the attention of shareholders or creditors of the Company.

Saved as disclosed herein, the Board confirms that there are no circumstances in respect of the proposed change of auditors of the Company which it considers should be brought to the attention of the shareholders of the Company and The Stock Exchange of Hong Kong Limited.

## **END OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND RESIGNATION OF MEMBER OF AUDIT COMMITTEE, REMUNERATION COMMITTEE, NOMINATION COMMITTEE AND SPECIAL COMMITTEE**

The Board hereby announces the appointment of Ms. Chan Man Tuen, Irene ("Ms. Chan") as an independent non-executive director of the Company comes to an end on 31 August 2010 and will not be seeking re-election. Consequently, her position as a member of each of the

audit committee, the remuneration committee, the nomination committee and the special committee of the Company (established on 29 July 2010) will also become vacant with effect from 1 September 2010 as her other commitments require her to relinquish her directorship in the Company.

Ms. Chan has confirmed that she has no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to her retirement.

Following the retirement of Ms. Chan, the Company will only have two independent non-executive directors and two audit committee members, the number of which falls below the minimum number required under Rule 3.10(1) and Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Board will appoint an appropriate person to fill the vacancy as soon as possible within three months from 1 September 2010 pursuant to Rule 3.11 and Rule 3.23 of the Listing Rules. Further announcement will be made by the Company in relation to such appointment as and when appropriate.

The Board would like to take this opportunity to express its gratitude to Ms. Chan for her valuable contributions made to the Company.

#### **CHANGE OF SPECIAL CONSULTANT**

The Board announced on 29 July 2010 that in light of the matters qualified by KPMG in their opinion on the Group’s financial statements for the year ended 31 March 2010, the Board established the special committee to look into items in the temporary payment account of the Company, internal controls relating to the Group’s procedures and report their findings to the Board, including recommendations for improvements in internal controls and their subsequent implementation (to the extent appropriate) and that for this purpose, the Board would appoint SHINEWING Risk Services Limited (“SHINEWING”) to be the Company’s consultant in reviewing the internal control system of the Company and to assist in this regard.

Subsequent to the announcement on 29 July 2010, the Company and SHINEWING have not reached an agreement on the terms of engagement including scope, fee and resources to be dedicated to the engagement. Therefore, the Company is currently considering other professional consultants in this regard and further details in relation to the appointment of such professional consultant will be announced once an appointment is made.

#### **DISPATCH OF NOTICE AND CIRCULAR**

Notice of the Annual General Meeting will be included in the circular of the Company in relation to the Annual General Meeting to be dispatched by the Company on or before 31 August 2010.

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

Hong Kong, 24 August 2010

*As at the date of this announcement, the executive directors of the Company are Mr. Tse Chiu Kwan, Mr. Lin Shao Hua and Mr. Lau Yau Chuen, Louis; the non-executive director of the Company is Ms. Yip Ying Kam and the independent non-executive directors of the Company are Ms. Chan Man Tuen, Irene, Mr. Lau Fai Lawrence and Mr. Fan William Chung Yue.*