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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

福財 福財證券及期貨有限公司 (SFC CE No.: AG0663)
FORDJOY SECURITIES AND FUTURES LIMITED

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 15 December 2009 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a fully underwritten basis, a total of 70,000,000 Placing Shares to certain Placees who and whose ultimate beneficial owners are Independent Third Parties at a price of HK\$0.78 per Placing Share.

The total number of 70,000,000 Placing Shares represents (i) approximately 7.02% of the issued share capital of the Company of 997,438,000 Shares in issue as at the date of this announcement and (ii) approximately 6.56% of the issued share capital of the Company of 1,067,438,000 Shares as enlarged by the Placing.

The Placing Shares will be issued under the General Mandate. The Placing is conditional upon (i) the Listing Committee of the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and (ii) the Placing Agreement not being terminated in accordance with its terms.

As the completion of the Placing is subject to the satisfaction of the conditions precedent as described above, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

* For identification purposes only

The Board is pleased to announce that on 15 December 2009 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, the major terms of which are set out below.

THE PLACING AGREEMENT

Date

15 December 2009

Issuer

The Company

Placing Agent

Fordjoy Securities and Futures Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent has conditionally agreed, on a fully underwritten basis and as agent for the Company, to procure subscribers to subscribe for a total of 70,000,000 Placing Shares at the Placing Price. The Placing Agent will receive a placing commission of 3.5% on the gross proceeds of the issue of the Placing Shares. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market rate and taking into account the underwriting nature of the Placing Agreement.

Placees

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are Independent Third Parties. It is a term of the Placing Agreement that none of the Placees shall become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

Placing Price

The Placing Price of HK\$0.78 represents:

- (a) a discount of approximately 14.29% to the closing price of HK\$0.91 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 19.09% to the average closing price of HK\$0.964 per Share in the last five consecutive trading days immediately prior to the Last Trading Day; and
- (c) a discount of approximately 18.75% to the average closing price of HK\$0.96 per Share in the last ten consecutive trading days immediately prior to the Last Trading Day.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

Based on the estimated expenses of approximately HK\$2.2 million for the Placing, the gross proceeds and net proceeds from the Placing will be HK\$54.6 million and approximately HK\$52.4 million respectively. On that basis, the net price per Placing Share is approximately HK\$0.749.

The aggregate nominal value of the 70,000,000 Placing Shares is HK\$7,000,000.

The Directors consider that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The total number of 70,000,000 Placing Shares represents (i) approximately 7.02% of the issued share capital of the Company of 997,438,000 Shares in issue as at the date of this announcement and (ii) approximately 6.56% of the issued share capital of the Company of 1,067,438,000 Shares as enlarged by the Placing.

The Placing Shares will be issued under the General Mandate. Under the General Mandate, the Company is authorised to issue up to 199,467,600 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to approval of the Shareholders.

Ranking of the Placing Shares

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (b) the Placing Agreement not having been terminated in accordance with its terms.

If the above conditions are not fulfilled on or before 5:00 p.m. on 31 January 2010 or such later date as may be agreed between the Placing Agent and the Company, the Placing Agreement shall terminate and subject to terms of the Placing Agreement, neither party shall have any claim against the other for any costs or losses (save for any antecedent breaches of the Placing Agreement).

Completion of the Placing

Completion of the Placing will take place on the second business day after the fulfillment of the conditions as set out in the Placing Agreement or such later date to be agreed between the Company and the Placing Agent.

Termination and force majeure

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 12:00 noon (Hong Kong time) on the intended completion date of the Placing if any of the following develops, occurs or comes into force:

- (a) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any failure to perform any of the Company's undertakings in the Placing Agreement;
- (b) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (c) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing,
- (d) any suspension of dealings in the Shares for any period of five consecutive trading days or more (other than as a result of announcing the Placing); or
- (e) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange.

THE PLACING

Placing is conditional

As the completion of the Placing is subject to the satisfaction of the conditions precedent as described above, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Reasons for the Placing and use of proceeds

The Group is principally engaged in the design, manufacturing, retailing and distribution and concurrent design manufacturing of fashion accessories.

The gross proceeds from the Placing will be approximately HK\$54.6 million. Based on the estimated expenses of approximately HK\$2.2 million for the Placing, the net proceeds from the Placing is expected to be HK\$52.4 million. The Group intends to use the entire amount of the net proceeds from the Placing to further develop the Group's retail business.

The Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening the Shareholders' base and capital base of the Company. Accordingly, the Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS OF THE COMPANY

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will not be any change in the shareholding structure of the Company from the date of this announcement up to the completion of the Placing (other than the allotment and issue of the Placing Shares), the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing are as follows:

	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Fully Gain Company Ltd. (note 1)	648,088,000	64.98	648,088,000	60.72
Excellent Gain International Holdings Limited (note 2)	72,000,000	7.22	72,000,000	6.74
Public:				
Places under the Placing	–	–	70,000,000	6.56
Other public Shareholders	<u>277,350,000</u>	<u>27.80</u>	<u>277,350,000</u>	<u>25.98</u>
Total	<u>997,438,000</u>	<u>100.00</u>	<u>1,067,438,000</u>	<u>100.00</u>

Notes:

1. Fully Gain Company Ltd. is wholly owned by Mr. Tse Chiu Kwan, the chairman of the Board and an executive Director.
2. Excellent Gain International Holdings Limited is wholly-owned by Ms. Yip Ying Kam, the vice chairman of the Board and a non-executive Director.
3. None of the Placées will become a substantial Shareholder (within the meaning of the Listing Rules) upon completion of the Placing.

GENERAL

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“AGM”	the annual general meeting of the Company held on 21 September 2009
“Board”	the board of Directors
“Company”	Artini China Co. Ltd., a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party or parties that is or are independent of and not connected with the Company and its connected persons

“Last Trading Day”	15 December 2009, being the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreements
“Placing”	the placing of the Placing Shares, on a fully underwritten basis, by the Placing Agent pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent on 15 December 2009 (after trading hours) in relation to the Placing
“Placing Shares”	a total of 70,000,000 Shares to be placed pursuant to the Placing Agreement
“Placing Agent”	Fordjoy Securities and Futures Limited, a licensed corporation to carry on business in types 1 and 2 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Price”	HK\$0.78 per Placing Share
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

On behalf of the Board
Artini China Co. Ltd.
Tse Chiu Kwan
Chairman

Hong Kong, 15 December 2009

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