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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 IN RELATION TO
ACQUISITION OF PROPERTIES IN ZHENGZHOU CITY**

On 1 March 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the Sale and Purchase Agreements, pursuant to which the Purchaser agreed to acquire and the Seller agreed to sell the Properties located in Zhengzhou City, PRC, at an aggregate consideration of RMB20,000,000 (equivalent to approximately HK\$23,800,000).

As the highest applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND OF THE ACQUISITION

The Board is pleased to announce that on 1 March 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the Sale and Purchase Agreements, pursuant to which the Purchaser agreed to acquire and the Seller agreed to sell the Properties located in Zhengzhou City, PRC, at the Consideration of RMB20,000,000 (equivalent to approximately HK\$23,800,000).

SALE AND PURCHASE AGREEMENTS

A summary of the principal terms of the Sale and Purchase Agreements is set out below. Apart from these terms and details of the property unit being the subject of the agreement, the Sale and Purchase Agreements are substantially in the same form. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owner are Independent Third Parties.

Sale and Purchase Agreement I

Date:	1 March 2016
Parties:	(1) Shenzhen Artini Hongli Enterprises Co. Ltd. (深圳雅天妮弘力實業有限公司), being the Purchaser (2) 河南大正投資置業有限公司 (Henan Dazhen Property Investment Company Limited#), being the Seller
Information on Property Unit I:	Room 563, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層563房), which is currently being constructed
Gross floor area:	109.88 square meters
Consideration:	The consideration is RMB4,000,000 (equivalent to approximately HK\$4,760,000) and will be financed by the Group's internal resources. The consideration was determined by the parties to the agreement after arm's length negotiation with reference to the prevailing market price in respect of comparable properties in the surrounding areas and factoring in the relevant property pre-sale discounts.
Payment:	<ul style="list-style-type: none">- On the date of the agreement, the Purchaser shall deposit (or shall have deposited) a sum of RMB1,600,000 (equivalent to approximately HK\$1,904,000) with the Seller.- The remaining amount shall be paid within 21 days from the date of the agreement.

Sale and Purchase Agreement II

- Date: 1 March 2016
- Parties:
- (1) Shenzhen Artini Hongli Enterprises Co. Ltd. (深圳雅天妮弘力實業有限公司), being the Purchaser
 - (2) 河南大正投資置業有限公司 (Henan Dazhen Property Investment Company Limited[#]), being the Seller
- Information on Property Unit II: Room 564, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層564房), which is currently being constructed
- Gross floor area: 123.99 square meters
- Consideration: The consideration is RMB5,000,000 (equivalent to approximately HK\$5,950,000) and will be financed by the Group's internal resources. The consideration was determined by the Parties to the agreement after arm's length negotiation with reference to the prevailing market price in respect of comparable properties in the surrounding areas and factoring in the relevant property pre-sale discounts.
- Payment:
- On the date of the agreement, the Purchaser shall deposit (or shall have deposited) a sum of RMB2,000,000 (equivalent to approximately HK\$2,380,000) with the Seller.
 - The remaining amount will be paid within 21 days from the date of the agreement.

Sale and Purchase Agreement III

- Date: 1 March 2016
- Parties:
- (1) Shenzhen Artini Hongli Enterprises Co. Ltd. (深圳雅天妮弘力實業有限公司), being the Purchaser
 - (2) 河南大正投資置業有限公司 (Henan Dazhen Property Investment Company Limited[#]), being the Seller
- Information on Property Unit III: Room 565, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層565房), which is currently being constructed
- Gross floor area: 124.47 square meters
- Consideration: The consideration is RMB5,000,000 (equivalent to approximately HK\$5,950,000) and will be financed by the Group's internal resources. The consideration was determined by the Parties to the agreement after arm's length negotiation with reference to the prevailing market price in respect of comparable properties in the surrounding areas and factoring in the relevant property pre-sale discounts.
- Payment:
- On the date of the agreement, the Purchaser shall deposit (or shall have deposited) a sum of RMB2,000,000 (equivalent to approximately HK\$2,380,000) with the Seller.
 - The remaining amount shall be paid within 21 days from the date of the agreement.

Sale and Purchase Agreement IV

- Date: 1 March 2016
- Parties:
- (1) Shenzhen Artini Hongli Enterprises Co. Ltd. (深圳雅天妮弘力實業有限公司) being the Purchaser
 - (2) 河南大正投資置業有限公司 (Henan Dazhen Property Investment Company Limited[#]), being the Seller
- Information on Property Unit IV: Room 566, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層566房), which is currently being constructed
- Gross floor area: 144.94 square meters
- Consideration: The consideration is RMB6,000,000 (equivalent to approximately HK\$7,140,000) and will be financed by the Group's internal resources. The consideration was determined by the Parties to the agreement arm's length negotiation with reference to the prevailing market price in respect of comparable properties in the surrounding areas and factoring in the relevant property pre-sale discounts.
- Payment:
- On the date of the agreement, the Purchaser shall deposit (or shall have deposited) a sum of RMB2,400,000 (equivalent to approximately HK\$2,856,000) with the Seller.
 - The remaining amount shall be paid within 21 days from the date of the agreement.

Delivery of the Properties

Pursuant to the Sale and Purchase Agreements, the Seller shall have applied for initial registration in respect of the Properties with governmental authorities by 31 July 2016 (and shall deliver the relevant building ownership certificate within 180 days of such registration), and shall deliver the Properties by 31 August 2016 in a completed state fitted with utilities. Where the Seller fails to deliver the Properties after 90 days from 31 August 2016, the Purchaser is entitled to terminate the relevant Sale and Purchase Agreement for a refund together with compensation.

Where the gross floor area of the Properties delivered is at variance with the contracted area, or if any government-approved changes in the building plans and designs which will result in the quality of the Properties or the Purchaser's usage of the Properties, the Purchaser is entitled to refund of the sums paid together with interest by reference to the current savings rate offered by the People's Bank of China.

INFORMATION OF THE GROUP, THE PURCHASER AND THE SELLER

The Group is principally engaged in sales of own brand fashion accessories and sales of the 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 Purchaser is a private limited company incorporated in Shenzhen, PRC, an indirect wholly-owned subsidiary of the Company, and is principally engaged in retaining and distribution of fashion accessories and property investment.

The Seller is a private limited company incorporated in the Henan Province, PRC and is principally engaged in real estate development.

REASON FOR THE ACQUISITION

The Group is principally engage in retail chain operator and trading of fashion accessories and gift and premium items. With a view to diversifying its scope of business and in order to maximize Shareholders' wealth, the Group has been evaluating from time to time suitable property-investment opportunities.

The Properties are located at Central Business District in Zhengzhou City. There are numerous famous shopping malls surrounding the shops. In addition, such area is currently under urban renewal plan initialed by the Zhengzhou Government and it is expected that such area will be developed into a high-end business district and shopping centre, thereby enhancing the capital value of the Properties. The Directors consider that the Acquisition will enable the Group to expand its investment portfolio and provide flexibility in the Group's business development. Subject to further feasibility studies, the Company may consider deploying part of the Properties for use under its retail business segment.

The terms of the Sale and Purchase Agreements were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Sale and Purchase Agreements are on normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Properties by the Purchaser from the Seller pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	Artini China Co. Ltd., a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 789)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Consideration”	the total Consideration of RMB20,000,000 (equivalent to approximately HK\$23,800,000) payable by the Purchaser to the Seller for the Acquisition pursuant to the Sale and Purchase Agreements
“Director(s)”	the director(s) of the Company
“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 PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent from the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the same meaning as ascribed to this term under the Listing Rules, as applicable to a transaction
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	Property Unit I, Property Unit II, Property Unit III and Property Unit IV
“Property Unit I”	Flat 563, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層563房)
“Property Unit II”	Flat 564, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層564房)
“Property Unit III”	Flat 565, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層565房)
“Property Unit IV”	Flat 566, 5/F., Dehua Building, Dehua Street West and Yuanling Street North, Erqi District, Zhengzhou City, PRC (中國鄭州二七區德化街西、苑陵街北德化大廈5層566房)
“Purchaser”	Shenzhen Artini Hongli Enterprises Co. Ltd. (深圳雅天妮弘力實業有限公司), a company incorporated in the Shenzhen, the PRC and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreements”	Sale and Purchase Agreements I, Sale and Purchase Agreement II, Sale and Purchase Agreement III and Sale and Purchase Agreement IV

“Sale and Purchase Agreement I”	the sale and purchase agreement dated 1 March 2016 entered into between the Purchaser and the Seller in relation to the sale and purchase of Property Unit I
“Sale and Purchase Agreement II”	the sales and purchase agreement dated 1 March 2016 entered into between the Purchaser and the Seller in relation to the sale and purchase of Property Unit II
“Sale and Purchase Agreement III”	the sale and purchase agreement dated 1 March 2016 entered into between the Purchaser and the Seller in relation to the sale and purchase of Property Unit III
“Sale and Purchase Agreement IV”	the sales and purchase agreement dated 1 March 2016 entered into between the Purchaser and the Seller in relation to the sale and purchase of Property Unit IV
“Seller”	河南大正投資置業有限公司 (Henan Dazhen Property Investment Company Limited [#]), a company incorporated in Henan Province PRC with limited liability
“Shareholders”	holders of Shares
“Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 1 March 2016

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.

The English transliteration of the Chinese name(s) in this announcement, where indicated with “#”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.