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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)**

**BUSINESS UPDATE**  
**USE OF PROCEEDS**

Reference is made to the prospectus dated 27 November 2014 (“**Prospectus**”) issued by Artini China Co. Ltd. (the “**Company**”) in respect of an open offer (“**Open Offer**”) undertaken by the Company, the announcement dated 18 December 2014 issued by the Company announcing (among other things) the results of the Open Offer, and the annual report of the Company for the year ended 31 March 2015 (“**Annual Report**”). Capitalized terms used in this announcement shall have the same meanings as defined in the Prospectus.

As stated in the Annual Report, the Company raised proceeds of approximately HK\$183 million after expenses as a result of the Open Offer. This announcement is made by the Company to provide the shareholders of the Company (the “**Shareholders**”) with the following update on the use of proceeds from the Open Offer:-

Use of Proceeds proposed in the Prospectus	Approximate amount to be used as proposed in the Prospectus	Amount used as of 31 March 2015	Amount used as of the date of this announcement
Expanding the accessories retailing business <sup>(Note)</sup>	HK\$25 million	Approximately HK\$18 million	All used as intended
Entering into retailing business of branded watches in Guangdong Province	HK\$60 million	Approximately HK\$3 million	All used as intended

<b>Use of Proceeds proposed in the Prospectus</b>	<b>Approximate amount to be used as proposed in the Prospectus</b>	<b>Amount used as of 31 March 2015</b>	<b>Amount used as of the date of this announcement</b>
Repayment of short-term loan from financial institution repayable in full on 28 January 2015	HK\$19 million	All used as intended	All used as intended
Repayment of an amount due to controlling shareholder	HK\$13 million	All used as intended	All used as intended
General working capital – development and further upgrade of the Group’s information system and information technology	HK\$35 million	Approximately HK\$10 million	All used as intended
General working capital – e-advertising expenses	HK\$16 million	Approximately HK\$13 million	All used as intended
General working capital – general selling and administrative expenses and other general operating expenses	HK\$15 million	Approximately HK\$11 million	All used as intended
<b>Total</b>	<b>HK\$183 million</b>	<b>Approximately HK\$87 million</b>	<b>All used as intended</b>

*Note:* including applying proceeds towards product design, brand-building and other marketing expenses.

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

Hong Kong, 9 May 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.*