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ART TEXTILE TECHNOLOGY INTERNATIONAL COMPANY LIMITED
錦藝紡織科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 565)

2012 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "Board") of Art Textile Technology International Company Limited (the "Company") is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 30 June 2012 together with the comparative figures in 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	NOTES	**2012** **HK$'000**	2011 *HK$'000*
Turnover		**2,106,147**	902,658
Cost of sales		**(1,907,833)**	(777,058)
Gross profit		**198,314**	125,600
Other income	*5*	**14,074**	7,925
Administrative expenses		**(52,340)**	(42,774)
Selling and distribution costs		**(25,218)**	(22,475)
Other expenses		**(3,450)**	(2,993)
Finance costs	*6*	**(75,935)**	(53,017)
Profit before tax		**55,445**	12,266
Income tax expense	*7*	**(50,681)**	(4,928)
Profit for the year	*8*	**4,764**	7,338

	NOTES	2012 HK$'000	2011 HK$'000
Other comprehensive income			
Exchange differences arising on translation		**22,759**	49,810
Other comprehensive income for the year (net of tax)		**22,759**	49,810
Total comprehensive income for the year		**27,523**	57,148
EARNINGS PER SHARE	*10*		
Basic *(HK cents per share)*		**0.46**	0.71
Diluted *(HK cents per share)*		**0.46**	0.71

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	NOTES	2012 HK$'000	2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**564,497**	592,464
Prepaid lease payments		**121,820**	121,707
Deposits for acquisition of plant and equipment		**3,972**	8,743
		690,289	722,914
CURRENT ASSETS			
Inventories		**151,690**	204,825
Trade and other receivables	*11*	**361,650**	373,851
Pledged bank deposits		**516,947**	337,936
Bank balances and cash		**990,434**	847,166
		2,020,721	1,763,778
CURRENT LIABILITIES			
Trade and other payables	*12*	**1,007,821**	740,158
Tax liabilities		**6,852**	4,214
Secured bank borrowings		**742,222**	796,506
Obligations under finance leases		**22,819**	20,688
Deferred income		**881**	693
		1,780,595	1,562,259
NET CURRENT ASSETS		**240,126**	201,519
TOTAL ASSETS LESS CURRENT LIABILITIES		**930,415**	924,433
CAPITAL AND RESERVES			
Share capital		**10,406**	10,406
Share premium and reserves		**904,011**	876,488
Equity attributable to owners of the Company		**914,417**	886,894
NON-CURRENT LIABILITIES			
Obligations under finance leases – due after one year		**3,506**	25,658
Deferred income		**3,867**	3,464
Deferred tax liabilities		**8,625**	8,417
		15,998	37,539
		930,415	924,433

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2012

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is Talent Crown Investment Limited, a private company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Chen Dong. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HKD") and the functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in HKD for the convenience of the shareholders because the Company's shares are listed in Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of cotton, yarn and garment fabrics.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the HKFRSs issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis which is generally based on the fair value of the consideration given in exchange for goods.

4. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Therefore, the chief operating decision maker only considers the Group's business from a product perspective, rather than from a geographic perspective. From a product perspective, management assesses the performance from sales of cotton, yarn and garment fabrics.

The chief operating decision maker assesses the performance of the operating segments based on sales and net profit.

	Cotton	Yarn	Garment fabrics	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2012				
Total sales	**889,140**	**395,969**	**836,085**	**2,121,194**
Inter-segment sales	**–**	**(15,047)**	**–**	**(15,047)**
Turnover (from external customers)	**889,140**	**380,922**	**836,085**	**2,106,147**
Segment results	**(1,788)**	**(136,781)**	**199,435**	**60,866**
Income tax expense				**(50,681)**
Central administration costs				**(5,421)**
Profit for the year				**4,764**
Depreciation	**–**	**39,260**	**27,793**	**67,053**

	Yarn	Garment fabrics	Total
	HK$'000	*HK$'000*	*HK$'000*
Year ended 30 June 2011			
Total sales	488,437	448,023	936,460
Inter-segment sales	(29,247)	(4,555)	(33,802)
Turnover (from external customers)	459,190	443,468	902,658
Segment results	6,518	9,817	16,335
Income tax expense			(4,928)
Central administration costs			(4,069)
Profit for the year			7,338
Depreciation	37,106	28,223	65,329

No geographical market analysis is provided as the Group's turnover and contribution to segment results were substantially derived from the customers in the People's Republic of China (the "PRC") and the assets are substantially located in the PRC.

5. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Bank interest income	**13,788**	2,594
Sales of scrap materials	**–**	68
Government grants received for research and development	**–**	4,568
Others	**286**	695
	14,074	7,925

6. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on		
– Bank borrowings wholly repayable within five years	**72,676**	48,022
– Finance leases	**3,259**	4,995
	75,935	53,017

7. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Income tax recognised in profit or loss		
PRC Enterprise Income Tax ("EIT")		
– Current income tax	**49,708**	3,740
– Underprovision in the prior years	**973**	731
	50,681	4,471
Deferred tax	**–**	457
	50,681	4,928

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong for both years.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

No deferred tax (2011: HK$457,000) has been provided for in the consolidated financial statements in respect of the undistributed profits earned by the Company's PRC subsidiaries starting from 1 January 2008 attributable to the Group under the EIT Law that are subject to withholding tax upon the distribution of such profits to the shareholders outside the PRC.

8. PROFIT FOR THE YEAR

	2012	2011
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Staff costs		
– directors' emoluments	**4,678**	4,665
– other staff's salaries and other benefits	**35,476**	39,546
– other staff's retirement benefit scheme contributions	**3,875**	4,012
	44,029	48,223
Allowance for bad and doubtful debts	**636**	324
Auditor's remuneration	**800**	650
Depreciation of property, plant and equipment	**67,122**	65,399
Exchange loss, net	**1,266**	230
Loss on disposal of property, plant and equipment	**113**	127
Release of prepaid lease payments	**2,885**	2,800
Research and development costs	**1,423**	2,084

9. DIVIDENDS PAID

No dividend was paid or proposed for the year ended 30 June 2012 nor has any dividend been proposed since the end of the reporting period (2011: Nil).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
Earnings:		
Profit for the year attributable to the owners of the Company and earnings for the purposes of basic and diluted earnings per share	**4,764**	7,338

	2012	2011
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,040,602**	1,040,602
Effect of dilutive potential ordinary shares in respect of share options issued by the Company	**–**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,040,602**	1,040,602

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise prices of those options are higher than the average market prices for the Company's shares for both 2011 and 2012.

11. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**165,249**	111,151
Less: Allowance for doubtful debts	**(1,217)**	(567)
	164,032	110,584
Prepayment to suppliers	**186,719**	225,414
Bills receivable	**–**	6,251
Others	**7,994**	28,774
Prepaid lease payments-current portion	**2,905**	2,828
	361,650	373,851

In the current year, HK$496,000 (2011: HK$3,956,000) trade receivables of the Group are denominated in USD.

The Group allows average credit period ranging from 30 days to 90 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2012	2011
	HK$'000	*HK$'000*
0 – 60 days	**157,860**	109,671
61 – 90 days	**3,199**	259
Over 90 days	**2,973**	654
Trade receivables	**164,032**	110,584

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. 98% (2011: 99%) of the trade receivables that are neither past due nor impaired have good credit rating under internal credit assessment adopted by the Group.

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of HK$2,973,000 (2011: HK$654,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is between 91 to 120 days (2011: 91 to 120 days).

Ageing of past due but not impaired:

Overdue by:	2012	2011
	HK$'000	*HK$'000*
1 – 60 days	**602**	320
61 – 90 days	**871**	–
Over 90 days	**1,500**	334
Total	**2,973**	654

The Group has provided an impairment loss of HK$636,000 for the year ended 30 June 2012 (2011: HK$324,000). The Group does not hold any collateral over these balances.

Movement in the allowance for doubtful debts:

	2012	2011
	HK$'000	*HK$'000*
Balance at beginning of the year	**567**	229
Impairment loss recognised on receivables	**636**	324
Exchange realignment	**14**	14
Balance at end of the year	**1,217**	567

12. TRADE AND OTHER PAYABLES

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**46,596**	35,806
Bills payable	**916,428**	631,987
Other payables	**44,797**	72,365
	1,007,821	740,158

The average credit period on trade payables is 45 days (2011: 45 days). The average credit period on bills payable is ranged from 90 days to 180 days (2011: 90 days to 180 days).

The following is an aged analysis of trade and bills payable based on the invoice date at the end of the reporting period:

	2012	2011
	HK$'000	*HK$'000*
0 – 60 days	**514,823**	405,653
61 – 90 days	**60,765**	73,924
Over 90 days	**387,436**	188,216
Trade and bills payable	**963,024**	667,793

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL REVIEW

The Group is principally engaged in the manufacture and sale of cotton, yarn and garment fabrics targeting at mid- to high-end markets both in the PRC and overseas. The Group vertically integrates its production process to include research and development, yarn spinning, grey fabric trial weaving, garment fabric dyeing and setting, cloth finishing such as pattern pressing and calendaring. The Group's yarn is used for knitting into pure cotton knit fabrics and considerably sold to external customers and the remaining for internal use. The Group's garment fabrics are used for manufacturing down wear, sports wear, household products such as sofa and curtain and men's and women's fashions. During the current year, the Group is also engaged in the sale of high class of cotton to new and existing customers for the purpose of business diversification.

For the purpose of maintaining steadier supply and better quality control of grey fabrics for the dyeing process, the Group designates some suppliers to weave these fabrics based on the samples researched and developed by it. In addition, the existing advance yarn spinning and garment fabric dyeing machinery and equipment enable the Group to seize the demand for pure cotton knit fabrics from current and new customers and enlarge the varieties of down wear, sports wear and household products with different nature which in turn boosts the market expansion.

In view of implementing the Group's plan in expanding sales markets, the Group participated in the textile fair held in Shanghai, the PRC, during the current year so as to promote and sell its products to more customers.

Turnover

For the financial year ended 30 June 2012, the Group recorded a turnover of approximately HK$2,106,147,000 (2011: HK$902,658,000), approximately 133.3% more than that in 2011. The increase in turnover was attributable to significant increase in turnover of cotton, yarn and garment fabrics during the current year. The sale of high quality cotton commenced during the current year was made to new and existing customers which enables the Group to diversify its business through the resources on hand. The second item was due to more efficient production of yarn carried out in Zhengzhou city as all the production lines operated throughout the whole year when compared with that in 2011, however, the selling prices of yarn was reduced as a result of a drop of raw material cost, cotton, during the current year. And the last one was due to soaring sales volume in Changle city as a result of a strengthening of the sales and marketing team for garment fabrics and re-organization of the sales distributors.

Gross Profit

The gross profit margin of the Group of approximately 9.4% in the current year decreased when compared with that in 2011 of approximately 13.9%. It was mainly due to the augment in commercial sale of cotton, yarn and garment fabrics but simultaneously, variance in raw material costs incurred during the current year.

Profit for the Year

For the financial year ended 30 June 2012, the Group's profit was approximately HK$4,764,000 (2011: HK$7,338,000), approximately 35.1% less than that in 2011; and net profit margin reduced significantly from approximately 0.8% in 2011 to 0.2% for the year ended 30 June 2012. These situations were directly related to segment results of three segments, cotton, yarn and garment fabrics. Even though there was a sizable surge in turnover of cotton, yarn, and garment fabrics due to extensive market demand for prominent cotton, more efficient production of yarn in Zhengzhou city and a renovation of sales and promotion strategies for garment fabrics in Changle city; each of their segment results moved into opposite directions because of different reasons.

A shortfall was occurred in cotton result as a consequence of variance in raw material costs. During the current year, the cost of cotton fluctuated in broad extent due to the participation of the PRC government in the cotton market in order to protect the privileges of cotton farmers and to regulate and control general economic environment. Moreover, yarn result reduced substantially owing to a number of adverse factors happened during the current year including variance in raw material costs which eventually led to a decrease in selling prices of yarn, an upsurge in finance costs and a general rise of expenses arising from inflation. On the contrary, there were constraint cost control policies implemented at the plant in Changle city during the current year, accordingly, garment fabrics result had a remarkable outcome when compared with that in 2011.

Other income

The Group's other income for the financial year ended 30 June 2012 was approximately HK$14,074,000 (2011: HK$7,925,000), approximately 77.6% more than that in 2011. Such increase in the current year was attributable to the interest income received during the current year as a consequence of an increase in bank deposits.

Expenses

Administrative expenses amounted to approximately HK$52,340,000 (2011: HK$42,774,000), representing approximately 2.5% (2011: 4.7%) of turnover for the year ended 30 June 2012. Administrative expenses increased by approximately 22.4% when compared with that of 2011. It was due to more bank charges incurred during the current year in respect of the issuance of bank loans and bills.

Selling and distribution costs amounted to approximately HK$25,218,000 (2011: HK$22,475,000), representing approximately 1.2% (2011: 2.5%) of turnover for the year ended 30 June 2012. When compared with that of 2011, selling and distribution costs increased by approximately 12.2%. It was a consequence of the surge in sale of cotton, yarn and garment fabrics throughout the current year.

Other expenses amounted to approximately HK$3,450,000 (2011: HK$2,993,000), representing approximately 0.2% (2011: 0.3%) of turnover for the year ended 30 June 2012. The increase was due to exchange difference arisen from more letters of credit granted in foreign currencies for purchase of raw materials.

Finance costs amounted to approximately HK$75,935,000 (2011: HK$53,017,000), representing approximately 3.6% (2011: 5.9%) of turnover for the year ended 30 June 2012. The substantial increase was due to more bank loans and bills undertaken by the Group for the operation of both plants in Zhengzhou city and Changle city during the current year.

Dividend

The Board does not recommend the payment of a final dividend for the year ended 30 June 2012 (2011: Nil).

FUTURE PLANS AND PROSPECTS

The Group believes that the operating environment of Chinese textile exports prolongs to improve and therefore continues to propel its strong distribution network through maintaining good and close relationship with distribution agents and valuable customers and at the same time strengthening its current sales and marketing teams. The Group also sustains efforts in research and development of new products and improvement of products on hand in order to meet the needs of dynamic textile and garment markets.

The full production capacity of all production lines in Zhengzhou city is approximately 16,000 tons per annum. Good quality of cotton is used for spinning premium yarn which is targeted at the mid- to high-end markets. Majority of yarn will be sold to external customers and the remaining will be for internal use. This internal use yarn will then be knitted into pure cotton knit fabrics by designated suppliers and its dyeing process will be completed at the plant in Changle city. The above processes will enable the Group to further develop the vertical integration of its production. Moreover, the sale of raw material, cotton, would be continued in future as another means to amplify the Group's turnover category. Both plants' production capacities are expected to be utilized completely in the future, thus, favourable results would be able to achieve by the Group given that the worldwide economy recovers from the depression.

The future development of the textile industry in the PRC is still expected to confront significant challenges and many uncertainties in the business environment, such as variable raw material costs, lower labour costs in nearby countries, such as Vietnam, India and Cambodia, intensifying international trade protectionism, continuous economic depression in Europe and America and unpredictable inflation. Looking ahead, the Group will continue to capture opportunities for expansion and diversify its business for long term development in order to maximize the values of the shareholders of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, the Group had net current assets and total assets less current liabilities of approximately HK$240,126,000 (2011: HK$201,519,000) and HK$930,415,000 (2011: HK$924,433,000), respectively. The Group maintains a moderate financial position by financing its operations with internally generated resources, finance leases, bills and bank loans. As at 30 June 2012, the Group had cash and bank deposits of approximately HK$1,507,381,000 (2011: HK$1,185,102,000). The current ratio of the Group was approximately 113.5% (2011: 112.9%).

Shareholders' fund of the Group as at 30 June 2012 was approximately HK$914,417,000 (2011: HK$886,894,000). As at 30 June 2012, the total bank borrowings of the Group, repayable within 12 months from the end of the reporting period, denominated in RMB601,200,000 were equivalent to HK$742,222,000 (2011: HK$796,506,000); and obligations under finance leases for machinery and equipment of approximately HK$26,325,000 (2011: HK$46,346,000), altogether giving a gross debt gearing ratio (i.e. total borrowings/shareholders' fund) of approximately 84.0% (2011: 95.0%).

The Group maintains significant amount of working capital on hand in order to preserve its moderate financial position throughout the year and in future, and it anticipates that adequate resources would be obtained from its growing business operations in meeting its short term and long term obligations.

FINANCING

As at 30 June 2012, the total banking facilities of the Group amounted to about HK$1,635,649,000 (2011: HK$1,418,051,000), of which, approximately HK$1,557,144,000 (2011: HK$1,161,642,000) was utilized.

The Board believes that the existing financial resources will be sufficient to meet future expansion plans and, if necessary, the Group will be able to obtain additional financing with favourable term.

CAPITAL STRUCTURE

As at 30 June 2012, the share capital of the Company comprises ordinary shares only.

FOREIGN EXCHANGE RISK AND INTEREST RATE RISK

During the current year, the Group was not subject to any significant exposure to foreign exchange rates risk as the majority of its transactions were denominated in RMB. Hence, no financial instrument for hedging was employed.

The Board monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

CHARGE ON GROUP'S ASSETS

As at 30 June 2012, certain leasehold land and buildings, and plant and machinery of the Group with aggregate carrying values of approximately HK$323,252,000 (2011: HK$335,583,000) and approximately HK$226,745,000 (2011: HK$ 127,524,000), respectively, were all pledged to banks to secure banking facilities granted to the Group; together with the bank deposits of the Group of approximately HK$516,947,000 (2011: HK$337,936,000).

As at 30 June 2012, the aggregate carrying value of the Group's certain plant and machinery held under finance leases was approximately HK$114,852,000 (2011: HK$125,048,000).

As at 30 June 2012, certain inventories with carrying values of approximately HK$70,735,000 (2011: Nil) were pledged as securities for bank borrowings.

CAPITAL EXPENDITURE

During the year, the Group invested approximately HK$25,024,000 (2011: HK$23,930,000) in property, plant and equipment, of which 9.7% (2011: 29.7%) was used for purchase of plant and machinery, 83.0% (2011: 63.3%) for construction of auxiliary facilities, and the remaining was used for purchase of other property, plant and equipment.

As at 30 June 2012, the Group had capital commitments of approximately HK$20,058,000 (2011: HK$3,614,000) in property, plant and equipment. The capital commitments in previous year were funded by internally generated resources, finance leases and bank loans.

STAFF POLICY

The Group had 1,048 employees altogether in the PRC and Hong Kong as at 30 June 2012. The Group offers a comprehensive and competitive remuneration, retirement scheme and benefit package to its employees. Discretionary bonus is offered to the Group's staff depending on their performance. The Group is required to make contribution to a social insurance scheme in the PRC. Moreover, the Group and its employees in the PRC are each required to make contribution to fund the endowment insurance, unemployment insurance, medical insurance, housing provident fund and employees' compensation insurance at the rates specified in the relevant PRC laws and regulations. The Group has adopted a provident fund scheme, as required under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong), for its employees in Hong Kong.

The Group also provides periodic internal training to its staff.

Three independent non-executive directors are appointed for a term of 1 year commencing from either 1 September or 19 September each year.

CONTINGENT LIABILITIES

At the end of the reporting period, the Group and the Company did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company which comprises three independent non-executive directors of the Company has reviewed with the management and the external auditor the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the consolidated financial statements and annual results for the year ended 30 June 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the applicable code provisions under the Code on Corporate Governance Practices (from 1 July 2011 to 31 March 2012) and the Corporate Governance Code (from 1 April 2012 to 30 June 2012) as set out in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (THE "MODEL CODE")

The Group has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. All directors of the Company (Mr. Huang Yongfeng inclusive, while Mr. Yang Zeqiang exclusive as he was appointed as independent non-executive director on 19 September 2012) have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 30 June 2012.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at http://arttextile.etnet.com.hk. An annual report for the year ended 30 June 2012 will be dispatched to the shareholders of the Company and available on the above websites in due course.

By order of the board
Art Textile Technology International Company Limited
Chen Jinyan
Chairman

Hong Kong, 28 September 2012

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jinyan, Mr. Chen Dong and Mr. Chen Jinqing; and the independent non-executive directors of the Company are Mr. Lo Kin Chung, Mr. Yang Zeqiang and Mr. Yu Zhongming.