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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that it is expected that the interim results of the Group for the six months ended 31 December 2011 may incur a loss when compared with that for the corresponding period in year 2010.

As the Company is still in the process of finalizing the interim results for the six months ended 31 December 2011, the information contained in this announcement is only a preliminary assessment performed by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditor.

Shareholders and potential investors should exercise caution when dealing in shares of the Company.

This announcement is made by Art Textile Technology International Company Limited (the “**Company**”, together with its subsidiaries shall be referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, it is expected that the interim results of the Group for the six months ended 31 December 2011 may incur a loss when compared with that for the six months ended 31 December 2010.

The interim results of the Group for the six months ended 31 December 2011 experienced a decline compared with that for the corresponding period in year 2010 due to a number of adverse factors including the rise in raw material costs, the increase in allowance of inventory and general rise of expenses arising from the inflation. Consequently, the reduction of gross sales margin was happened. The Board considers that the financial position of the Group remains solid and the Group is capable of financing its operations by its own internal resources and available banking facilities.

As the Company is still in the process of finalizing the Group's interim results for the six months ended 31 December 2011, the Company has not yet quantified the amount of the decrease. Information contained in this announcement is only a preliminary assessment performed by the management of the Company and it is not based on any figures or information which has been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 31 December 2011, which is expected to be published before the end of February 2012.

Shareholders and potential investors should exercise caution when dealing in shares of the Company.

On behalf of the Board
Art Textile Technology International Company Limited
Chen Jinyan
Chairman

Hong Kong, 31 January 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. Huang Yongfeng and Mr. Yu Zhongming.