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## **CHINA TING GROUP HOLDINGS LIMITED**

### **華鼎集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3398)**

### **RENEWAL OF THE LOAN TO HANGZHOU CHINA TING PROPERTY**

The Board refers to the Previous Announcement, in which the Company announced that the Loan Agreement was entered into for a term of three years from 28 April 2012 to 27 April 2015.

The purpose of this announcement is to inform the Shareholders that the Loan Agreement has been renewed for a period of three years immediately after the original expiry date. The renewal is part of the original terms of the Loan Agreement. All terms and conditions of the Loan, other than the repayment period of the Loan, will remain unchanged. The principal amount and the interest of the Loan will be due for full repayment on 27 April 2018.

The amount of the Loan is RMB183,750,000 (equivalent to HK\$229.7 million). The Directors consider that the renewal of the Loan, upon the same terms and conditions, will have no material impact on the financial position of the Group. The renewal of the Loan does not involve any additional cash payment by the Group. As of the date of this announcement, the Group has cash and bank balances of not less than HK\$300.0 million, which is sufficient for the business operations and the projects currently undertaken by the Group.

#### **DIRECTORS' VIEWS ON THE RENEWAL OF THE LOAN AGREEMENT**

The Directors (including the independent non-executive Directors) confirm that the renewed terms and conditions of the Loan Agreement, other than the repayment period of the Loan, are identical to the original terms and were negotiated on an arm's length basis among the parties thereto and are on normal commercial terms.

The Directors consider that the renewal of the Loan is fair and reasonable and in the interest of the Group and the Shareholders as a whole with no adverse impact on the financial position of the Group. The interested Directors, namely Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer, have abstained from voting on the relevant board resolutions approving the Loan.

## **IMPLICATIONS UNDER THE LISTING RULES**

The renewal of the Loan constitutes an “advancement to an entity” under Rule 13.13 of the Listing Rules. As of the date of this announcement, the Group has advanced to Hangzhou China Ting Property an aggregate amount of RMB241.4 million (equivalent to HK\$301.7 million) by way of equity holder’s loan, and the interests accrued thereon amounts to RMB29.4 million (equivalent to HK\$36.8 million). The total amount due from Hangzhou China Ting Property to the Group, including the Loan, is RMB270.8 million (equivalent to HK\$338.5 million) as of the date of this announcement.

As the total amount due from Hangzhou China Ting Property to the Group exceeds 8.0% under the asset ratio (as set forth in Chapter 14 of the Listing Rules), the Company is required to issue this announcement under Rule 13.15 of the Listing Rules. Hangzhou China Ting Property is a non-wholly owned subsidiary of Zhejiang Huading Property and is therefore an associate of certain connected persons of the Company. The Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.89, financial assistance provided by the Group for the benefit of Hangzhou China Ting Property on normal commercial terms and in proportion to its equity interest in Hangzhou China Ting Property will be exempt from the reporting, announcement and independent Shareholders’ approval requirements.

The Board refers to the Previous Announcement, in which the Company announced that the Loan Agreement was entered into for a term of three years from 28 April 2012 to 27 April 2015.

The purpose of this announcement is to inform the Shareholders that the Loan Agreement has been renewed for a period of three years immediately after the original expiry date. The renewal is part of the original terms of the Loan Agreement. All terms and conditions of the Loan, other than the repayment period, will remain unchanged. The principal amount and the interest of the Loan will be due for full repayment on 27 April 2018.

## **SUMMARY OF THE RENEWAL OF THE LOAN AGREEMENT**

Other than the repayment period, the Loan has been renewed upon the same terms and conditions set forth in the Loan Agreement. The following sets forth a summary of the principal terms and conditions of the Loan Agreement:-

Date of signing of the 24 April 2015  
renewal of the Loan  
Agreement:

Borrower: Hangzhou China Ting Property

Lender: Zhejiang China Ting

Term: 28 April 2015 to 27 April 2018

Principal amount: Unsecured loan of RMB\$183.75 million (HK\$229.7 million) which was provided to the Borrower on 28 April 2012

Principal repayment schedule: Principal amount shall be fully repaid by Hangzhou China Ting Property before 27 April 2018.

Interest:	Interest is to be calculated at the rate of 7.315% per annum on the outstanding amount of the principal and shall be payable by the Borrower before 27 April 2018.
Renewal of loan:	Renewal will be allowed upon the expiration of the term of the renewal of the Loan Agreement.
Effect of default of repayment:	If the principal amount and the interest is not repaid pursuant to the renewal of the Loan Agreement, the Lender shall have the right to (a) increase the interest rate to 0.08% per day from the date on which default of repayment has occurred until the date on which the principal amount and the interest are fully settled by Hangzhou China Ting Property or (b) if the failure of repayment of the principal amount and interest pursuant to the schedules exceeds 30 days, the amount under the Loan Agreement will become immediately due and payable.
Collateral:	No collateral from Hangzhou China Ting Property for the purpose of the Loan Agreement.

The Directors (including the independent non-executive Directors) confirm that the renewed terms and conditions of the Loan Agreement, other than the repayment period of the Loan, are identical to the original terms and were negotiated on an arm's length basis among the parties thereto and are on normal commercial terms.

#### **REASONS FOR AND BENEFITS OF THE RENEWAL OF LOAN AGREEMENT**

The Loan was provided by the Group in 2012 to Hangzhou China Ting Property as its general working capital purpose. As the Loan was provided in proportion to the Group's equity investment in Hangzhou China Ting Property, the Directors (including the independent non-executive Directors) consider the terms of the Loan Agreement was fair and reasonable and in the interests of the Group and the Shareholders as a whole. The Directors (including the independent non-executive Directors) also considered that the Group would be entitled to an interest on the principal amount of the loan at the rate of 7.315% per annum from the date of the Loan Agreement until the principal amount thereof is repaid in full.

The number of residential units sold and the selling prices of the residential property development project currently undertaken by Hangzhou China Ting Property are far below the expectation of the management of Hangzhou China Ting Property, primarily due to the sluggish real property sector in the PRC and the increasing supply of similar residential units in the area. This results in a short-term liquidity issue on the part of Hangzhou China Ting Property. The Directors (including the independent non-executive Directors) do not consider it appropriate to request Hangzhou China Ting Property for full repayment of the principal and interest of the Loan at the current stage. There is a renewal clause in the Loan Agreement, and the Directors (including the independent non-executive Directors) do not anticipate any imminent risk or disadvantage on the part of the Group if the Group agrees to renew the Loan upon the same terms and conditions. On this basis and the fact that the terms of the renewal of the Loan Agreement are identical to the original terms, the Directors (including the independent non-executive Directors) unanimously approve the renewal. The renewal of the Loan does not involve any additional cash payment by the Group. As of the date of this

announcement, the Group has cash and bank balances of not less than HK\$300.0 million, which is sufficient for the business operations and the projects currently undertaken by the Group.

The Directors (including the independent non-executive Directors) do not consider it necessary to obtain collateral from Hangzhou China Ting Property as it holds 49.0% equity interest in Hangzhou China Ting Property.

## **GENERAL INFORMATION**

### **Information on Zhejiang China Ting and the Company**

Zhejiang China Ting is a limited liability company established in the PRC and is owned as to 92.0% by the Company with the remaining 8.0% by Mr. DING Xinger, Mr. FU Xiao Bo and Mr. YE Ai Min. Zhejiang China Ting is principally engaged in garment trading.

The Company is an investment holding company with all of its shares listed on the Stock Exchange.

The Group is engaged in the business of garment manufacturing for export and retailing branded fashion and apparel items in China. The garment export business represents the principal source of income for the Group. The Group's garment is exported to almost all leading markets in the world, including the United States and major European countries.

### **Information on Zhejiang Huading Property**

Zhejiang Huading Property is a sino-foreign equity joint venture company established in China and is owned as to 90.0% by China Ting Industries, 7.0% by Mr. DING Jianer and 3.0% by Mr. DING Xinger. Zhejiang Huading Property is a connected person (as defined in the Listing Rules) of the Company. Zhejiang Huading Property is engaged in the property development business in the PRC.

### **Information on Hangzhou China Ting Property**

Hangzhou China Ting Property is a limited liability company established in the PRC on 24 December 2010. Hangzhou China Ting Property is owned as to 51.0% by Zhejiang Huading Property and 49.0% by Zhejiang China Ting. Hangzhou China Ting Property is an associate of certain connected persons (as defined under the Listing Rules) of the Company. Hangzhou China Ting Property is not a subsidiary of the Company. Hangzhou China Ting Property is permitted to be engaged in the property development business.

## **IMPLICATIONS UNDER THE LISTING RULES**

The renewal of the Loan constitutes an "advancement to an entity" under Rule 13.13 of the Listing Rules. As of the date of this announcement, the Group has advanced to Hangzhou China Ting Property an aggregate amount of RMB241.4 million (equivalent to HK\$301.7 million) by way of equity holder's loan, and the interests accrued thereon amounts to RMB29.4 million (equivalent to HK\$36.8 million). The total amount due from Hangzhou China Ting Property to the Group, including the Loan, is RMB270.8 million (equivalent to HK\$338.5 million) as of the date of this announcement.

As the total amount due from Hangzhou China Ting Property to the Group exceeds 8.0% under the asset ratio (as set forth in Chapter 14 of the Listing Rules), the Company is required to issue this announcement under Rule 13.15 of the Listing Rules. Hangzhou China Ting Property is a non-wholly owned subsidiary of Zhejiang Huading Property and is therefore an associate of certain connected persons of the Company. The Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.89, financial assistance provided by the Group for the benefit of Hangzhou China Ting Property on normal commercial terms and in proportion to its equity interest in Hangzhou China Ting Property will be exempt from the reporting, announcement and independent Shareholders' approval requirements.

The Directors consider that the renewal of the Loan is fair and reasonable and in the interest of the Group and the Shareholders as a whole with no adverse impact on the financial position of the Group. The interested Directors, namely Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer, have abstained from voting on the relevant board resolutions approving the Loan.

## **DEFINITIONS USED IN THIS ANNOUNCEMENT**

Unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:-

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	means the board of Directors;
“China” or “PRC”	means the People’s Republic of China which excludes, for the purpose of this announcement, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;
“China Ting Industries”	means China Ting Industries Investment (Hong Kong) Limited 華鼎實業投資香港有限公司, a company incorporated in Hong Kong with limited liability on 24 April 2002 and is owned as to 25.0% by each of Mr. TING Man Yi, Mr. TING Hung Yi, Mr. DING Jianer and Mr. SHUM Pui Hung;
“Company”	refers to China Ting Group Holdings Limited (華鼎集團控股有限公司), a company incorporated in the Cayman Islands with the Shares listed on the Stock Exchange;
“Directors”	means the directors of the Company;
“Group”	refers to the Company and its subsidiaries;
“Hangzhou China Ting Property”	means 杭州華鼎房地產開發有限公司(Hangzhou China Ting Property Development Company Limited*), a limited liability company established in the PRC and is owned as to 51% by Zhejiang Huading Property and 49.0% by Zhejiang China Ting;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Loan”	means the loan of RMB\$183.75 million (HK\$229.7 million) made by Zhejiang China Ting to Hangzhou China Ting Property pursuant to the Loan Agreement;
“Loan Agreement”	means the loan agreement dated 27 April 2012 entered into between Hangzhou China Ting Property and Zhejiang China Ting for the purpose of provision of loan to Hangzhou China Ting Property;
“Previous Announcement”	means the announcement issued by the Company on 27 April 2012;
“Shares”	means the shares of the Company with a par value of HK\$0.10;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Zhejiang China Ting”	means 浙江華鼎集團有限責任公司(Zhejiang China Ting Group Company Limited*), a limited liability company established under the laws of the PRC on 16 August 2001 and is owned as to 92.0% by the Company and the remaining 8.0% by Mr. DING Xinger, Mr. FU Xiao Bo and Mr. YE Ai Min;
“Zhejiang Huading Property”	means 浙江華鼎房地產開發有限公司(Zhejiang Huading Property Development Company Limited*), a sino-foreign equity joint venture company established in the PRC on 6 June 2001, held as to 90.0% by China Ting Industries, 7.0% by Mr. DING Jianer and 3.0% by Mr. DING Xinger, and a connected person (as defined in the Listing Rules) of the Company;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong; and
“RMB”	Renminbi, the lawful currency of the PRC.

By order of the Board of  
**China Ting Group Holdings Limited**  
**TING HUNG YI**  
*Chief Executive Officer*

Hong Kong, 24 April 2015

\* *For identification purposes only. The English names are only translation of the official Chinese names. In case of inconsistency, the Chinese names shall prevail.*

*Unless otherwise specified, translations of RMB into HK\$ in this circular are based on the rate of HK\$1.0 = RMB0.80. No representation is made that any amount in HK\$ and RMB can be or could have been converted at the relevant dates at this rate or any other rates at all.*

*As of the date of this announcement, the executive Directors are Mr. TING Man Yi, Mr. TING Hung Yi, Mr. DING Jianer and Mr. CHEUNG Ting Yin, Peter and the independent non-executive Directors are Dr. CHENG Chi Pang, Mr. WONG Chi Keung and Mr. LEUNG Man Kit.*