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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)

INDUSTRIAL PARK CONSTRUCTION CONTRACTS

MAJOR TRANSACTIONS

AND

DISCLOSEABLE TRANSACTION

Capitalised terms used on this cover page have the same meaning as defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 6 to 26 of this circular.

The transactions being the subject matter of this circular has been approved by written shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

17 January 2022

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Announcement”	the announcement of the Company dated 24 November 2021 in relation to, among other things, the Industrial Park Construction Contracts and the transactions contemplated thereunder;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“China Ting Industrial Park”	the industrial park with a total site area of 456,031 sq.m. located at Linping Economic Development Zone, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市臨平經濟開發區);
“Company”	China Ting Group Holdings Limited (華鼎集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 3398);
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Dongsheng Construction”	杭州東升建設工程有限公司 (Hangzhou Dongsheng Construction Engineering Co., Ltd.*), a company established in the PRC with limited liability and an Independent Third Party;
“Dongsheng Construction Contracts”	collectively, the five (5) construction contracts dated 24 November 2021 entered into between Dongsheng Construction and each of Finity International Fashion, Zhejiang Fucheng Fashion, Zhejiang Knitwear, Zhejiang China Ting Group and Zhejiang Fuhowe Fashion for part of the construction works comprising the Redevelopment Proposal, in the aggregate amount of RMB265.8 million (equivalent to HK\$324.1 million), further information on which is set forth in the paragraphs under “INFORMATION ON THE INDUSTRIAL PARK CONSTRUCTION CONTRACTS — 2. Dongsheng Construction Contracts”;
“Finity International Fashion”	菲妮迪國際時裝有限公司 (Finity International Fashion Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“Hangzhou Huaxing”	杭州華星絲綢印染有限公司 (Hangzhou Huaxing Silk Printing Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Hangzhou Tailored Fashion”	杭州華鼎時裝有限公司 (Hangzhou China Ting Tailored Fashion Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Huzhou Construction”	浙江湖州市建工集團有限公司 (Zhejiang Huzhou Construction Engineering Group Co., Ltd.*), a company established in the PRC with limited liability and an Independent Third Party;
“Huzhou Construction Contracts”	collectively, the two (2) construction contracts dated 24 November 2021 entered into between Huzhou Construction and each of Zhejiang Concept Creator and Hangzhou Tailored Fashion for part of the construction works comprising the Redevelopment Proposal, in the aggregate amount of RMB375.0 million (equivalent to HK\$457.3 million), further information on which is set forth in the paragraphs under “INFORMATION ON THE INDUSTRIAL PARK CONSTRUCTION CONTRACTS — 1. Huzhou Construction Contracts”;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s);
“Industrial Park Construction Contractors”	collectively, Huzhou Construction, Dongsheng Construction, Yangfan Construction and Ziqiang Construction;
“Industrial Park Construction Contracts”	collectively, the Huzhou Construction Contracts, Dongsheng Construction Contracts, Yangfan Construction Contracts and Ziqiang Construction Contracts;
“Latest Practicable Date”	12 January 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Longerview”	Longerview Investments Limited, a company incorporated in the BVI with limited liability and a controlling shareholder (as defined under the Listing Rules) of the Company holding 1,490,000,000 Shares in aggregate, representing 71.0% of the total number of Shares in issue;
“PRC”	The People’s Republic of China which, for the purpose of this circular, does not include Hong Kong, The Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Redevelopment Proposal”	the redevelopment proposal of certain land parcels at the China Ting Industrial Park with a total site area of 154,584.7 sq.m. for the construction of 12 new buildings with a total gross floor area of 587,246.71 sq.m. for the Group’s headquarters and offices, factories, warehouses and staff quarters as well as for leasing purpose;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) in the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yangfan Construction”	Zhejiang Yangfan Construction Co., Ltd. (浙江揚帆建設有限公司), a company established in the PRC with limited liability and an Independent Third Party;
“Yangfan Construction Contracts”	collectively, the two (2) construction contracts dated 24 November 2021 entered into between Yangfan Construction and each of Hangzhou Huaxing and Zhejiang Jincheng for part of the construction works comprising the Redevelopment Proposal, in the aggregate amount of RMB155.2 million (equivalent to HK\$189.3 million), further information on which is set forth in the paragraphs under “INFORMATION ON THE INDUSTRIAL PARK CONSTRUCTION CONTRACTS — 3. Yangfan Construction Contracts”;

DEFINITIONS

“Zhejiang China Ting Group”	浙江華鼎集團有限責任公司 (Zhejiang China Ting Group Company Limited), a 92%-owned subsidiary of the Company established in the PRC with limited liability with the remaining equity interest currently held by Mr. Ding Hang Yee (丁幸兒) (as to 2%), a sibling of certain executive Directors and a connected person of the Company, and two Independent Third Parties (each as to 3%);
“Zhejiang Concept Creator”	浙江創越時裝有限公司 (Zhejiang Concept Creator Fashion Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Zhejiang Fucheng Fashion”	浙江富成時裝有限公司 (Zhejiang Fucheng Fashion Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Zhejiang Fuhowe Fashion”	浙江富豪時裝有限公司 (Zhejiang Fuhowe Fashion Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Zhejiang Jincheng”	浙江華鼎金誠絲綢有限公司 (Zhejiang China Ting Jincheng Silk Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Zhejiang Knitwear”	浙江華鼎針織品有限公司 (Zhejiang China Ting Knitwear Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Zhejiang Textile Technology”	浙江華鼎紡織科技有限公司 (Zhejiang China Ting Textile Technology Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Zhejiang Xinan Fashion”	浙江信安時裝有限公司 (Zhejiang Xinan Fashion Company Limited), a wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Ziqiang Construction”	Zhejiang Ziqiang Construction Engineering Co., Ltd. (浙江自強建築工程有限公司), a company established in the PRC with limited liability and an Independent Third Party;

DEFINITIONS

“Ziqiang Construction Contracts” collectively, the three (3) construction contracts dated 24 November 2021 entered into between Ziqiang Construction and each of Zhejiang Textile Technology, Zhejiang Xinan Fashion and Zhejiang China Ting Group for part of the construction works comprising the Redevelopment Proposal, in the aggregate amount of RMB87.2 million (equivalent to HK\$106.3 million), further information on which is set forth in the paragraphs under “INFORMATION ON THE INDUSTRIAL PARK CONSTRUCTION CONTRACTS — 4. Ziqiang Construction Contracts”; and

“%” per cent.

* *For identification purpose only*

For the purpose of this circular, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$0.82 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.



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)

Executive Directors:

Mr. TING Man Yi (Chairman)

Mr. TING Hung Yi (Chief Executive Officer)

Mr. DING Jianer

Mr. CHEUNG Ting Yin, Peter

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Mr. CHENG Chi Pang

Mr. WONG Chi Keung

Mr. LEUNG Man Kit

*Head office and principal place of
business in Hong Kong:*

27th Floor, King Palace Plaza

55 King Yip Street

Kwun Tong

Kowloon

Hong Kong

17 January 2022

To the Shareholders

Dear Sir/Madam,

INDUSTRIAL PARK CONSTRUCTION CONTRACTS

MAJOR TRANSACTIONS

AND

DISCLOSEABLE TRANSACTION

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Industrial Park Construction Contracts and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The China Ting Industrial Park has been established by the Group since 2003 as its principal place of business and manufacturing base in the PRC, and it currently includes low-rise production buildings and warehouses and a seven-storey commercial building. Certain land parcels on which the China Ting Industrial Park is situated are under-utilised, particularly in light of the rapid urban development in the surrounding areas and the connection of highway/railway networks with other PRC cities. For the purpose of the Redevelopment Proposal, the Industrial Park Construction Contracts have been entered into solely for the land foundation and the concrete structure construction. Upon completion of the tender process, on 24 November 2021:

- (a) the Huzhou Construction Contracts have been entered into for an aggregate consideration of RMB375.0 million (equivalent to HK\$457.3 million);
- (b) the Dongsheng Construction Contracts have been entered into for an aggregate consideration of RMB265.8 million (equivalent to HK\$324.1 million);
- (c) the Yangfan Construction Contracts have been entered into for an aggregate consideration of RMB155.2 million (equivalent to HK\$189.3 million); and
- (d) the Ziqiang Construction Contracts have been entered into for an aggregate consideration of RMB87.2 million (equivalent to HK\$106.3 million).

INFORMATION ON THE INDUSTRIAL PARK CONSTRUCTION CONTRACTS

The contract sum under each of the Industrial Park Construction Contracts has been determined with reference to the bidding price submitted by the relevant contractor. Each of the Industrial Park Construction Contracts is awarded to the relevant contractor following an evaluation of the technical qualifications, experience and competency of such contractor, the expected scope and complexity of the construction works to be carried out, the costs of materials and labour costs estimated to be incurred and the prevailing market prices for carrying out the construction works of comparable scale and complexity.

1. Huzhou Construction Contracts

The Huzhou Construction Contracts have been entered into on 24 November 2021. The Huzhou Construction Contracts comprise two (2) individual contracts of identical terms and conditions (other than the contract sum, the scope of works and the expected date of commencement and completion thereunder) entered into with Huzhou Construction for the purpose of the Redevelopment Proposal. The following sets forth the principal terms of each of those individual contracts:

1.1 Huzhou Construction Contract I

Parties:	Huzhou Construction, as the contractor Zhejiang Concept Creator, as the principal
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LETTER FROM THE BOARD

Subject matter:	Huzhou Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.
Subject land parcel and estimated construction area:	The land located at No. 56–1 Beisha Road East, China Ting Industrial Park with a total gross floor area of 81,271.36 sq.m.
Contract sum:	RMB142.2 million (equivalent to HK\$173.4 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	730 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 January 2024
Performance guarantee deposit:	Huzhou Construction has given an irrevocable guarantee in favour of Zhejiang Concept Creator in respect of the performance of its obligations under the Huzhou Construction Contract I in the amount of RMB5.4 million (equivalent to HK\$6.6 million). As at the Latest Practicable Date, RMB1.1 million (equivalent to HK\$1.3 million) as part of the performance guarantee deposit had been paid by Huzhou Construction to the designated account of Zhejiang Concept Creator. The remaining RMB4.3 million (equivalent to HK\$5.2 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Huzhou Construction without interests after completion and acceptance of the construction works.

1.2 Huzhou Construction Contract II

Parties:	Huzhou Construction, as the contractor Hangzhou Tailored Fashion, as the principal
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LETTER FROM THE BOARD

Subject matter:	Huzhou Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.
Subject land parcel and estimated construction area:	The land located at No. 56–6 Beisha Road East, China Ting Industrial Park with a total gross floor area of 133,141.52 sq.m.
Contract sum:	RMB232.8 million (equivalent to HK\$283.9 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	730 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 January 2024
Performance guarantee deposit:	Huzhou Construction has given an irrevocable guarantee in favour of Hangzhou Tailored Fashion in respect of the performance of the obligations under the Huzhou Construction Contract II in the amount of RMB8.8 million (equivalent to HK\$10.7 million). As at the Latest Practicable Date, RMB1.8 million (equivalent to HK\$2.2 million) as part of the performance guarantee deposit had been paid by Huzhou Construction to the designated account of Hangzhou Tailored Fashion. The remaining RMB7.0 million (equivalent to HK\$8.5 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Huzhou Construction without interests after completion and acceptance of the construction works.

LETTER FROM THE BOARD

2. Dongsheng Construction Contracts

The Dongsheng Construction Contracts have been entered into on 24 November 2021. The Dongsheng Construction Contracts comprise five (5) individual contracts of identical terms and conditions (other than the contract sum, the scope of works and the expected date of commencement and completion thereunder) entered into with Dongsheng Construction for the purpose of the Redevelopment Proposal. The following sets forth the principal terms of each of those individual contracts:

2.1 Dongsheng Construction Contract 1

Parties:	Dongsheng Construction, as the contractor Finity International Fashion, as the principal
Subject matter:	Dongsheng Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.
Subject land parcel and estimated construction area:	The land located at No. 56–2 Beisha Road East, China Ting Industrial Park with a total gross floor area of 33,975.25 sq.m.
Contract sum:	RMB42.1 million (equivalent to HK\$51.3 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	540 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 July 2023

LETTER FROM THE BOARD

Performance guarantee deposit: Dongsheng Construction has given an irrevocable guarantee in favour of Finity International Fashion in respect of the performance of the obligations under the Dongsheng Construction Contract I in the amount of RMB2.1 million (equivalent to HK\$2.6 million). As at the Latest Practicable Date, RMB420,000 (equivalent to HK\$512,000) as part of the performance guarantee deposit had been paid by Dongsheng Construction to the designated account of Finity International Fashion. The remaining RMB1.68 million (equivalent to HK\$2.0 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Dongsheng Construction without interests after completion and acceptance of the construction works.

2.2 Dongsheng Construction Contract II

Parties: Dongsheng Construction, as the contractor
Zhejiang Fucheng Fashion, as the principal

Subject matter: Dongsheng Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.

Subject land parcel and estimated construction area: The land located at No. 56-3 Beisha Road East, China Ting Industrial Park with a total gross floor area of 22,010.53 sq.m.

Contract sum: RMB27.5 million (equivalent to HK\$33.5 million), subject to adjustment in accordance with relevant provisions in the contract.

Contract period: 540 calendar days

Expected commencement date: 3 January 2022

LETTER FROM THE BOARD

Expected completion date: 2 July 2023

Performance guarantee deposit: Dongsheng Construction has given an irrevocable guarantee in favour of Zhejiang Fucheng Fashion in respect of the performance of the obligations under the Dongsheng Construction Contract II in the amount of RMB1.4 million (equivalent to HK\$1.7 million). As at the Latest Practicable Date, RMB270,000 (equivalent to HK\$329,000) as part of the performance guarantee deposit had been paid by Dongsheng Construction to the designated account of Zhejiang Fucheng Fashion. The remaining RMB1.1 million (equivalent to HK\$1.3 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Dongsheng Construction without interests after completion and acceptance of the construction works.

2.3 Dongsheng Construction Contract III

Parties: Dongsheng Construction, as the contractor
Zhejiang Knitwear, as the principal

Subject matter: Dongsheng Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.

Subject land parcel and estimated construction area: The land located at No. 56–10 Beisha Road East, China Ting Industrial Park with a total gross floor area of 52,894.94 sq.m.

Contract sum: RMB79.3 million (equivalent to HK\$96.7 million), subject to adjustment in accordance with relevant provisions in the contract.

Contract period: 730 calendar days

Expected commencement date: 3 January 2022

LETTER FROM THE BOARD

Expected completion date: 2 January 2024

Performance guarantee deposit: Dongsheng Construction has given an irrevocable guarantee in favour of Zhejiang Knitwear in respect of the performance of the obligations under the Dongsheng Construction Contract III in the amount of RMB3.5 million (equivalent to HK\$4.3 million). As at the Latest Practicable Date, RMB700,000 (equivalent to HK\$854,000) as part of the performance guarantee deposit had been paid by Dongsheng Construction to the designated account of Zhejiang Knitwear. The remaining RMB2.8 million (equivalent to HK\$3.4 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Dongsheng Construction without interests after completion and acceptance of the construction works.

2.4 Dongsheng Construction Contract IV

Parties: Dongsheng Construction, as the contractor
Zhejiang China Ting Group, as the principal

Subject matter: Dongsheng Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.

Subject land parcel and estimated construction area: The land located at No. 56–9 Beisha Road East, China Ting Industrial Park with a total gross floor area of 54,177.8 sq.m.

Contract sum: RMB94.8 million (equivalent to HK\$115.6 million), subject to adjustment in accordance with relevant provisions in the contract.

Contract period: 730 calendar days

Expected commencement date: 3 January 2022

LETTER FROM THE BOARD

Expected completion date: 2 January 2024

Performance guarantee deposit: Dongsheng Construction has given an irrevocable guarantee in favour of Zhejiang China Ting Group in respect of the performance of the obligations under the Dongsheng Construction Contract IV in the amount of RMB2.1 million (equivalent to HK\$2.6 million). As at the Latest Practicable Date, RMB420,000 (equivalent to HK\$512,000) as part of the performance guarantee deposit had been paid by Dongsheng Construction to the designated account of Zhejiang China Ting Group. The remaining RMB1.7 million (equivalent to HK\$2.1 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Dongsheng Construction without interests after completion and acceptance of the construction works.

2.5 Dongsheng Construction Contract V

Parties: Dongsheng Construction, as the contractor
Zhejiang Fuhowe Fashion, as the principal

Subject matter: Dongsheng Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.

Subject land parcel and estimated construction area: The land located at No. 56–7 Beisha Road East, China Ting Industrial Park with a total gross floor area of 17,652.41 sq.m.

Contract sum: RMB22.1 million (equivalent to HK\$27.0 million), subject to adjustment in accordance with relevant provisions in the contract.

Contract period: 540 calendar days

Expected commencement date: 3 January 2022

LETTER FROM THE BOARD

Expected completion date: 2 July 2023

Performance guarantee deposit: Dongsheng Construction has given an irrevocable guarantee in favour of Zhejiang Fuhowe Fashion in respect of the performance of the obligations under the Dongsheng Construction Contract V in the amount of RMB1.1 million (equivalent to HK\$1.3 million). As at the Latest Practicable Date, RMB220,000 (equivalent to HK\$268,000) as part of the performance guarantee deposit had been paid by Dongsheng Construction to the designated account of Zhejiang Fuhowe Fashion. The remaining RMB880,000 (equivalent to HK\$1.1 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Dongsheng Construction without interests after completion and acceptance of the construction works.

3. Yangfan Construction Contracts

The Yangfan Construction Contracts have been entered into on 24 November 2021. The Yangfan Construction Contracts comprise two (2) individual contracts of identical terms and conditions (other than the contract sum, the scope of works and the expected date of commencement and completion thereunder) entered into with Yangfan Construction for the purpose of the Redevelopment Proposal. The following sets forth the principal terms of each of those individual contracts:

3.1 Yangfan Construction Contract I

Parties: Yangfan Construction, as the contractor
Hangzhou Huaxing, as the principal

Subject matter: Yangfan Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.

Subject land parcel and estimated construction area: The land located at No. 56–12 Beisha Road East, China Ting Industrial Park with a total gross floor area of 71,362.8 sq.m.

LETTER FROM THE BOARD

Contract sum:	RMB89.2 million (equivalent to HK\$108.8 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	540 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 July 2023
Performance guarantee deposit:	Yangfan Construction has given an irrevocable guarantee in favour of Hangzhou Huaxing in respect of the performance of the obligations under the Yangfan Construction Contract I in the amount of RMB4.5 million (equivalent to HK\$5.5 million). As at the Latest Practicable Date, RMB892,000 (equivalent to HK\$1.1 million) as part of the performance guarantee deposit had been paid by Yangfan Construction to the designated account of Hangzhou Huaxing. The remaining RMB3.6 million (equivalent to HK\$4.4 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Yangfan Construction without interests after completion and acceptance of the construction works.

3.2 Yangfan Construction Contract II

Parties:	Yangfan Construction, as the contractor Zhejiang Jincheng, as the principal
Subject matter:	Yangfan Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.
Subject land parcel and estimated construction area:	The land located at No. 56–11 Beisha Road East, China Ting Industrial Park with a total gross floor area of 52,820.7 sq.m.

LETTER FROM THE BOARD

Contract sum:	RMB66.0 million (equivalent to HK\$80.5 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	540 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 July 2023
Performance guarantee deposit:	Yangfan Construction has given an irrevocable guarantee in favour of Zhejiang Jincheng in respect of the performance of the obligations under the Yangfan Construction Contract II in the amount of RMB3.3 million (equivalent to HK\$4.0 million) which shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Yangfan Construction without interests after completion and acceptance of the construction works.

4. Ziqiang Construction Contracts

The Ziqiang Construction Contracts have been entered into on 24 November 2021. The Ziqiang Construction Contracts comprise three (3) individual contracts of identical terms and conditions (other than the contract sum, the scope of works and the expected date of commencement and completion thereunder) entered into with Ziqiang Construction for the purpose of the Redevelopment Proposal. The following sets forth the principal terms of each of those individual contracts:

4.1 Ziqiang Construction Contract I

Parties:	Ziqiang Construction, as the contractor Zhejiang Textile Technology, as the principal
Subject matter:	Ziqiang Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.
Subject land parcel and estimated construction area:	The land located at No. 56–5 Beisha Road East, China Ting Industrial Park with a total gross floor area of 9,351.36 sq.m.

LETTER FROM THE BOARD

Contract sum:	RMB14.0 million (equivalent to HK\$17.1 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	540 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 July 2023
Performance guarantee deposit:	Ziqiang Construction has given an irrevocable guarantee in favour of Zhejiang Textile Technology in respect of the performance of the obligations under the Ziqiang Construction Contract I in the amount of RMB700,000 (equivalent to HK\$854,000). As at the Latest Practicable Date, RMB140,000 (equivalent to HK\$171,000) as part of the performance guarantee deposit had been paid by Ziqiang Construction to the designated account of Zhejiang Textile Technology. The remaining RMB560,000 (equivalent to HK\$683,000) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Ziqiang Construction without interests after completion and acceptance of the construction works.

4.2 Ziqiang Construction Contract II

Parties:	Ziqiang Construction, as the contractor Zhejiang Xinan Fashion, as the principal
Subject matter:	Ziqiang Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.
Subject land parcel and estimated construction area:	The land located at No. 56-4 Beisha Road East, China Ting Industrial Park with a total gross floor area of 25,492.41 sq.m.

LETTER FROM THE BOARD

Contract sum:	RMB31.8 million (equivalent to HK\$38.8 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	540 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 July 2023
Performance guarantee deposit:	Ziqiang Construction has given an irrevocable guarantee in favour of Zhejiang Xinan Fashion in respect of the performance of the obligations under the Ziqiang Construction Contract II in the amount of RMB1.6 million (equivalent to HK\$2.0 million). As at the Latest Practicable Date, RMB320,000 (equivalent to HK\$390,000) as part of the performance guarantee deposit had been paid by Ziqiang Construction to the designated account of Zhejiang Xinan Fashion. The remaining RMB1.3 million (equivalent to HK\$1.6 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Ziqiang Construction without interests after completion and acceptance of the construction works.

4.3 Ziqiang Construction Contract III

Parties:	Ziqiang Construction, as the contractor Zhejiang China Ting Group, as the principal
Subject matter:	Ziqiang Construction will be responsible for the structural construction and installation works (including the provision of materials and labour) of the Redevelopment Proposal in accordance with the construction drawings and technical specifications as set forth in the relevant tender documents.
Subject land parcel and estimated construction area:	The land located at No. 56–13 Beisha Road East, China Ting Industrial Park with a total gross floor area of 33,095.63 sq.m.

LETTER FROM THE BOARD

Contract sum:	RMB41.4 million (equivalent to HK\$50.4 million), subject to adjustment in accordance with relevant provisions in the contract.
Contract period:	540 calendar days
Expected commencement date:	3 January 2022
Expected completion date:	2 July 2023
Performance guarantee deposit:	Ziqiang Construction has given an irrevocable guarantee in favour of Zhejiang China Ting Group in respect of the performance of the obligations under the Ziqiang Construction Contract III in the amount of RMB2.1 million (equivalent to HK\$2.6 million). As at the Latest Practicable Date, RMB410,000 (equivalent to HK\$500,000) as part of the performance guarantee deposit had been paid by Ziqiang Construction to the designated account of Zhejiang China Ting Group. The remaining RMB1.7 million (equivalent to HK\$2.1 million) shall be deposited one week before the commencement of construction work.

The performance guarantee deposit shall be refunded to Ziqiang Construction without interests after completion and acceptance of the construction works.

5. Payment terms and basis of determining the contract sums

The payment terms (other than the contract sum) of each of the Industrial Park Construction Contracts are identical and are set forth below:

- (a) monthly progress payment, equal to 75% of the value of work completed during that month, shall be made to the relevant contractor by the relevant principal;
- (b) an amount representing 85% of the contract sum less the aggregate amount already paid in (a) above shall be paid to the relevant contractor by the relevant principal within one month after the completion and the acceptance of the construction works;
- (c) an amount representing 90% of the audited contract sum less the aggregate amount already paid in (a) and (b) above shall be paid to the relevant contractor by the relevant principal within one month after the completion of the settlement audit of the construction works;

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- (d) an amount representing 95% of the audited contract sum less the aggregate amount already paid in (a), (b) and (c) above shall be paid to the relevant contractor by the relevant principal after issuance of the property ownership certificate by relevant PRC government authorities with respect to the ownership rights of buildings; and
- (e) the remaining 5% of the audited contract sum shall be withheld as warranty payment, of which three annual instalments of 2%, 1% and 2%, respectively, shall be released to the relevant contractor by the relevant principal within three years after payment of the amount in (d) above.

All the contract sums under the Industrial Park Construction Contracts will be funded by the internal financial resources of the Group and bank borrowings.

6. Adjustment to the contract sum

The contract sum under each of the Industrial Park Construction Contracts will be adjusted downward from a range of 13.0% to 18.0% as discounts by the relevant contractor, as a result of arms' length negotiations between the parties upon normal commercial terms. The contract sum under each of the Industrial Park Construction Contracts may be adjusted when there are changes in the indicative market price of certain materials published by the Zhejiang Provincial Price Bureau on a monthly basis including, commercial concrete, steel bars, masonry, commercial mortar, cement, yellow sand, gravel, gasoline, diesel, petroleum asphalt, water, electricity, formwork and the relevant labour costs involved over the construction period, and changes in the published prices of other materials and labour in Hangzhou City, Zhejiang Province exceeding five percent provided that any such adjustments shall be submitted by the relevant contractor to the relevant principal for approval. The relevant contract sum were concluded by the Company and the relevant contractor after due evaluation of the prevailing raw material prices, labor costs, and potential future market changes, therefore, the Company does not expect any adjustment exceeding five percent under normal circumstances. In any event, the Company will monitor the amount of any such adjustment and comply with the requirements under Chapter 14 of the Listing Rules as and when appropriate.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE INDUSTRIAL PARK CONSTRUCTION CONTRACTS

The China Ting Industrial Park has been established by the Group since 2003 as its principal place of business and manufacturing base in the PRC, and it currently includes low-rise production buildings and warehouses and a seven-storey commercial building. Certain land parcels on which the China Ting Industrial Park is situated are under-utilised, particularly in light of the rapid urban development in the surrounding areas and the connection of highway/railway networks with other PRC cities. On 24 December 2020, due to the construction of a highway project in Hangzhou, certain land parcels within the China Ting Industrial Park were expropriated and certain production activities have been relocated. Further information on the land expropriation is set forth in the announcement of the Company dated 15 January 2021. After due consideration of the long operating history of the China Ting Industrial Park and the latest business developments and

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production requirements of the Group, as well as the Group's capability to diversify and outsource the production process to different production plants of the Group, the Directors consider that it is the appropriate time to undertake the Redevelopment Proposal. The Redevelopment Proposal will comprise the development of 12 new buildings for the Group's headquarters and offices, factories, warehouses and staff quarters as well as for leasing purpose with a total gross floor area of 587,246.71 sq.m. upon completion in 2027.

The Industrial Park Construction Contracts have been entered into solely for the land foundation and the concrete structure construction for the purpose of the Redevelopment Proposal. The Group has formulated detailed plans and schedules on other related works for the Redevelopment Proposal, such as installation of curtain walls, facade, lifts and elevators, fire prevention facilities, electrical and water works and facilities and gardening, and will implement as and when the concrete structure construction is about to complete. The Directors expect that the total investment for the Redevelopment Proposal would be approximately RMB1.6 billion (equivalent to HK\$2.0 billion) which would be financed by a combination of bank borrowings and internal financial resources. The Group will closely monitor the progress of the Redevelopment Proposal and comply with the applicable requirements under Chapter 14 of the Listing Rules in relation to subsequent transactions as and when appropriate.

INFORMATION OF THE INDUSTRIAL PARK CONSTRUCTION CONTRACTORS

As of the Latest Practicable Date, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries:

- (a) Huzhou Construction is principally engaged in the business of building construction including building construction works, municipal public engineering works and foundation construction works and is owned as to 33.8% by Huzhou Construction Real Estate Development Company Limited* (湖州建設房地產開發有限公司), 16.1% by Mr. Wang Zhongyuan (王仲元), 15.1% by Huangshan Jianshe United Real Estate Company Limited* (黃山市建歙聯合置業有限公司), 12.7% by Mr. Mao Jiankun (茅建坤), 7.6% by Zhejiang Huzhou Construction Engineering Group Company Limited Employee Stock Ownership Association* (浙江湖州市建工集團有限公司職工持股協會), 3.6% by Mr. Guo Jianhua (郭建華) and 30 other individual equity holders, each of whom owns less than 1.0%.
- (b) Dongsheng Construction is principally engaged in the business of building construction including building construction works, municipal engineering works, steel structure construction works and interior and exterior decoration works and is owned as to 99.7% by Mr. Zhang Peng (張鵬) and 0.3% by Ms. Zhong Huijuan (鐘慧娟).
- (c) Yangfan Construction is principally engaged in the business of building construction including building construction works, foundation construction works, steel structure construction works and construction renovation and decoration works and is owned as to 90.0% by Mr. Yang Guoliang (楊國良) and 10.0% by Mr. Yang Xudong (楊旭棟).

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- (d) Ziqiang Construction is principally engaged in the business of building construction including building construction works, municipal engineering works and interior and exterior renovation and decoration works and is owned as to 71.1% by Mr. Ma Xuetao (馬雪濤) and 28.9% by Ms. Shen Maomao (沈毛毛).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Industrial Park Construction Contractors and their respective ultimate beneficial owners is an Independent Third Party and independent from each other.

INFORMATION OF THE GROUP

The Group is principally engaged in garment manufacturing for export, retailing branded fashion apparel and property investment in the PRC.

Each of Zhejiang Concept Creator, Hangzhou Tailored Fashion, Zhejiang Fucheng Fashion, Zhejiang Fuhowe Fashion and Zhejiang Xinan Fashion is principally engaged in garment manufacturing in the PRC. Finity International Fashion is principally engaged in garment manufacturing and retailing and trademark holding in the PRC. Zhejiang Knitwear is principally engaged in knitwear manufacturing in the PRC. Zhejiang China Ting Group is principally engaged in property holding and garment trading. Zhejiang Textile Technology is principally engaged in home textile weaving in the PRC. Hangzhou Huaxing is principally engaged in printing and dyeing of silk and other high-quality fabrics in the PRC. Zhejiang Jincheng is principally engaged in silk fabric weaving in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

The Directors confirm that each of the Industrial Park Construction Contracts is awarded to the relevant contractors through tendering process conducted in the PRC. Hence, the Directors (including the independent non-executive Directors) are of the view that all terms of each of the Industrial Park Construction Contracts (including the amount of consideration thereunder) are negotiated on an arm's length basis upon normal commercial terms and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

Each of the Industrial Park Construction Contracts constitutes a notifiable transaction (as defined under the Listing Rules) for the Company. The individual contracts comprising each of the Huzhou Construction Contracts, Dongsheng Construction Contracts, Yangfan Construction Contracts and Ziqiang Construction Contracts should be aggregated pursuant to Rule 14.23(1) of the Listing Rules because all such individual contracts are entered into with the same counter-party. Pursuant to Rule 14.23A of the Listing Rules, the Industrial Park Construction Contracts are not aggregated as they are entered into with different counter-parties for different construction works in respect of the Redevelopment Proposal for the Group's own use in its ordinary and usual course of business.

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Major transactions for the Company — Huzhou Construction Contracts, Dongsheng Construction Contracts and Yangfan Construction Contracts

The total contract sums under the Huzhou Construction Contracts amount to RMB375.0 million (equivalent to HK\$457.3 million). The total contract sums under the Dongsheng Construction Contracts amount to RMB265.8 million (equivalent to HK\$324.1 million). The total contract sums under the Yangfan Construction Contracts amount to RMB155.2 million (equivalent to HK\$189.3 million).

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of each of the Huzhou Construction Contracts, Dongsheng Construction Contracts and Yangfan Construction Contracts exceed 25% but all such percentage ratios are less than 100%, the transactions contemplated under each of the Huzhou Construction Contracts, Dongsheng Construction Contracts and Yangfan Construction Contracts constitute a major transaction for the Company and are therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Discloseable transaction for the Company — Ziqiang Construction Contracts

The total contract sums under the Ziqiang Construction Contracts amount to RMB87.2 million (equivalent to HK\$106.3 million). As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are more than 5% but less than 25%, the transactions contemplated under the Ziqiang Construction Contracts constitute a discloseable transaction for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Written shareholders' approval and no extraordinary general meeting to be held

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as (a) no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the respective approvals of the Huzhou Construction Contracts, Dongsheng Construction Contracts and Yangfan Construction Contracts and (b) Longerview which holds 71% of the total number of Shares in issue has given its written approval to each of the Huzhou Construction Contracts, Dongsheng Construction Contracts and Yangfan Construction Contracts, an extraordinary general meeting of the Company for the approval of each of the Huzhou Construction Contracts, Dongsheng Construction Contracts and Yangfan Construction Contracts could be dispensed with pursuant to Rule 14.44 of the Listing Rules.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF ENTERING INTO THE INDUSTRIAL PARK CONSTRUCTION CONTRACTS

The consideration of the Huzhou Construction Contracts, the Dongsheng Construction Contracts, the Yangfan Construction Contracts and the Ziqiang Construction Contracts are RMB375.0 million (equivalent to approximately HK\$457.3 million), RMB265.8 million (equivalent to approximately HK\$324.1 million), RMB155.2 million (equivalent to approximately HK\$189.3 million) and RMB87.2 million (equivalent to approximately HK\$106.3 million), respectively. The settlement terms of the consideration is set out under the section headed “5. Payment terms and basis of determining the contract sums” in this letter from the Board.

When the construction costs under each of the Industrial Park Construction Contracts are incurred, the relevant portion of consideration will be capitalised to “construction in progress” under the consolidated balance sheet of the Group, with the corresponding increase in the balance of “trade payables”. The assets and the liabilities of the Group will be increased accordingly. The payment of consideration, and the payments and expenses incurred and to be incurred in connection with the construction would result in the decrease in “trade payables”, decrease in “cash and cash equivalents” and/or “bank borrowings”. It is expected that completion of the Redevelopment Proposal will have no impact on the net asset value of the Group because the consideration will be settled by internal financial resources of the Group and/or bank borrowings.

The Company considers that there will not be any material effect on the earnings of the Group immediately due to the execution of the Industrial Park Construction Contracts. Since the consideration is expected to be funded by internal financial resources of the Group and/or bank borrowings, after the payment of the consideration, the cash and cash equivalents of the Group will decrease by approximately the same amount of RMB883.2 million (equivalent to approximately HK\$1,077.0 million) as the aggregate amount of consideration under the Industrial Park Construction Contracts and as a result, the bank interest income of the Group will be reduced and the finance costs from interest-bearing loans will increase.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms and conditions of each of the Industrial Park Construction Contracts are on normal commercial terms and are fair and reasonable and are in the interests of the Company and Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution(s) approving the Huzhou Construction Contracts, Dongsheng Construction Contracts and Yangfan Construction Contracts if a general meeting of the Company were to be convened.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
TING Man Yi
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three financial years ended 31 December 2020 and for the six months ended 30 June 2021 were disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the Company's website (www.chinating.com.hk):

- (a) pages 71 to 197 of the annual report of the Company for the year ended 31 December 2018 published on 17 April 2019 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417917.pdf>);
- (b) pages 79 to 209 of the annual report of the Company for the year ended 31 December 2019 published on 27 April 2020 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042701220.pdf>);
- (c) pages 75 to 189 of the annual report of the Company for the year ended 31 December 2020 published on 29 April 2021 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042902703.pdf>); and
- (d) pages 4 to 67 of the interim report of the Company for the six months ended 30 June 2021 published on 23 September 2021 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0923/2021092300763.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2021, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this circular, the Group had the following indebtedness:

(a) Bank borrowings

As at 30 November 2021, the Group had aggregate outstanding bank borrowings of approximately HK\$131.5 million which comprised:

	<i>HK\$million</i>
Bank borrowings — secured and guaranteed	131.4
Bank borrowings — unsecured and unguaranteed	0.1

The Group's secured and guaranteed bank borrowings of approximately HK\$131.4 million were secured by (i) certain buildings, investment properties and right-of-use assets in Hong Kong and PRC of the Group, (ii) corporate guarantees.

(b) Lease liabilities

As at 30 November 2021, the Group had lease liabilities with outstanding carrying amount of approximately HK\$26.1 million, of which HK\$26.0 million were under non current portion.

(c) General

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 30 November 2021, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that, save as disclosed above, there has not been any material change in the indebtedness and contingent liabilities of the Group since 30 November 2021.

3. RECENT DEVELOPMENT AND FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in garment manufacturing for export, retailing branded fashion apparel and property investment in the PRC. As disclosed in the Company's 2020 annual report, the Group had audited consolidated net assets and cash and cash equivalents of approximately HK\$2,874.5 million and HK\$577.2 million, respectively, as at 31 December 2020. For the year ended 31 December 2020, the Group's audited consolidated revenue and profit attributable to shareholders of the Company were approximately HK\$1,542.4 million and HK\$146.0 million, respectively.

As the negative impact of the trade protectionism and COVID-19 (“COVID-19”) pandemic worldwide continues, instability and uncertainties have increased significantly, which may affect the operations of the Group for a long time. The Group's OEM/ODM business has been affected by the pandemic and trade war for the past few years, and it will need time and effort to return to the pre-pandemic level of business. To avoid the impact from the trade protectionism, the Group has set up a factory in Vietnam, and will continue to explore any opportunities in other Southeast Asian countries as well, to diversify the political risk.

In the second half of 2021, due to the increase in number of COVID-19 cases and the abnormal weather in the PRC, which has reduced the consumer desire and caused the decrease in revenue for the third quarter of 2021. In the future, we will continue to focus on our retail business, by leveraging on consignees to expand our number of stores, and the development of different online sales channels, including but not limited to online platform, live broadcast, and will make use of new technologies and channels to build up the Group's branded business. We hope the overall economy will recover in 2022 and bring a strong rebound in the retail market.

Upon signing the Industrial Park Construction Contracts, the land foundation and the concrete structure construction works for the Redevelopment Proposal will commence in 2022, and along with other related works, the Redevelopment Proposal is expected to complete in 2027. Upon completion, there will be 12 new buildings with a gross floor area of 587,246.71 sq. m. for the Group's headquarters and offices, factories, warehouses, and staff

quarters as well as for leasing purpose, which are expected to bring considerable income to the Group and provide sufficient space for the Group's diversified business development in the future.

4. WORKING CAPITAL

The Directors, after due and careful enquiry and consideration, are of the opinion that, after taking into account the Group's internal resources and available credit facilities the Group has sufficient working capital for its requirements for at least 12 months from the date of this circular.

5. MATERIAL ADVERSE CHANGE

Reference is made to the profit warning announcement dated 23 August 2021, the interim result announcement dated 27 August 2021, the interim report for the six months ended 30 June 2021 and the related information included therein. Save as disclosed in the publication above, as at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2020, the date to which the latest published audited financial statements of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executives in the Shares, underlying Shares or debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Listing Rules, were as follows:

(I) Long position in the ordinary shares and underlying shares of the Company

(i) Interests in the Company

Interests in ordinary shares

Name of Director	Capacity	Number of Shares or underlying shares held	Approximate percentage of the issued share capital of the Company
Mr. TING Man Yi	Interest of controlled corporation	1,490,000,000 <i>(Note 1)</i>	70.96%
Mr. TING Hung Yi	Interest of controlled corporation	1,490,000,000 <i>(Note 2)</i>	70.96%
Mr. DING Jianer	Interest of controlled corporation	1,490,000,000 <i>(Note 3)</i>	70.96%
Mr. CHENG Chi Pang	Directly beneficially owned	200,000	0.01%
Mr. WONG Chi Keung	Directly beneficially owned	1,000,000	0.05%

Notes:

- (1) Longerview is owned as to 41.5% by Firmsuccess Limited (“Firmsuccess”) which is wholly-owned by Mr. TING Man Yi. Longerview is a controlled corporation (within the meaning of the SFO) of Mr. TING Man Yi. As such, under the SFO, Mr. TING Man Yi is deemed to be interested in the 1,490,000,000 shares held by Longerview.
- (2) Longerview is owned as to 40.5% by In Holdings Limited (“In Holdings”) which is wholly-owned by Mr. TING Hung Yi. Longerview is a controlled corporation (within the meaning of the SFO) of Mr. TING Hung Yi. As such, under the SFO, Mr. TING Hung Yi is deemed to be interested in the 1,490,000,000 shares held by Longerview.
- (3) Pursuant to a shareholders’ agreement dated 18 November 2005 and entered into between Mr. TING Man Yi, Firmsuccess, Mr. TING Hung Yi, In Holdings, Mr. DING Jianer, Willport Investments Limited (“Willport”) and Longerview (collectively the “Controlling Shareholders”), each of the Controlling Shareholders (other than Longerview) has agreed to enter into pre-emptive arrangements in respect of their shareholding in Longerview. For the purpose of Part XV of the SFO, each of Mr. TING Man Yi, Mr. TING Hung Yi and Mr. DING Jianer is therefore deemed to have effective voting power in respect of the 1,490,000,000 shares held by Longerview. As such, under the SFO, Mr. DING Jianer is also deemed to be interested in the 1,490,000,000 shares held by Longerview.

(ii) Interests in the associated corporation

Name of Director	Name of associated corporations	Number of Shares/ underlying Shares	Capacity and nature of interests	Approximate percentage of issued share capital
Mr. TING Man Yi	Firmsuccess	1	Personal interest	100%
	Longerview	415	Corporate interest	41.5%
		<i>(Note 1)</i>		
Mr. TING Hung Yi	In Holdings	1	Personal interest	100%
	Longerview	405	Corporate interest	40.5%
		<i>(Note 2)</i>		
Mr. DING Jianer	Willport	1	Personal interest	100%
	Longerview	180	Corporate interest	18.0%
		<i>(Note 3)</i>		

Notes:

- (1) The 415 shares in Longerview are held by Firmsuccess, which is wholly-owned by Mr. TING Man Yi.
- (2) The 405 shares in Longerview are held by In Holdings, which is wholly-owned by Mr. TING Hung Yi.
- (3) The 180 shares in Longerview are held by Willport, which is wholly-owned by Mr. DING Jianer.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to standards of dealing by Directors contained in the Listing Rules.

3. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, save as disclosed above, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTEREST IN CONTRACT

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

- (a) The Industrial Park Construction Contracts, terms of which are set out in this circular; and
- (b) The share transfer agreement dated 30 June 2020 entered into between 杭州華鼎實業投資有限公司 (Hangzhou China Ting Industries Investment Company Limited*) as vendor and 杭州宏毅商業管理有限公司 (Hangzhou Hongyi commercial management Company Limited*) as purchaser regarding the transfer of 29.9% interest in 浙江浩然置業有限公司 (Zhejiang Haoran Property Company Limited*) for cash consideration of RMB31.9 million (equivalent to HK\$38.9 million), details of which were disclosed in the announcement of the Company dated 30 June 2020.

10. MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at 27th Floor, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. CHENG Ho Lung, Raymond, who is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants.
- (e) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.chinating.com.hk) from the date of this circular up to 14 days thereafter:

- (a) the material contracts referred to in the paragraph under the heading “Material Contracts” in this appendix;
- (b) the annual reports of the Company for the three years ended 31 December 2020 and the interim report of the Company for the six months ended 30 June 2021; and
- (c) the letter from the Board as set forth in this circular.