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13.51A

CHINA TING GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock code: 3398)

DISCLOSEABLE TRANSACTION

**Acquisition of 60 per cent. of the issued share capital of
Interfield Industrial Limited (中都实业有限公司)**

This announcement is made pursuant to rule 13.09(1) of the Listing Rules.

The Acquisition

The Board is pleased to announce that the Sale and Purchase Agreement has been entered into whereby the China Ting Garment has agreed to acquire 60 per cent. of the issued share capital of Interfield. Prior to Completion, Interfield was 40 per cent. owned by China Ting Garment. Following Completion, Interfield will be wholly-owned by China Ting Garment and will become a wholly-owned subsidiary of the Company.

The consideration for the Acquisition will be settled by way of the Consideration Shares to be allotted and issued under the General Mandate. As such, the Acquisition constitutes a share transaction (as such term is defined under the Listing Rules) for the Company. Based on closing price of each Share of HK\$1.98 on 10 December 2007, the total consideration for the Acquisition is approximately HK\$90.88 million.

The amount of consideration is based on (i) the audited consolidated total assets of the Interfield Group of approximately HK\$131.54 million as at 31 March 2007; (ii) the audited consolidated net assets of the Interfield Group as at 31 March 2007 of approximately HK\$125.27 million and (iii) the unaudited consolidated net profit after taxation of the Interfield Group of approximately HK\$11.66 million for the six-month period ended 30 September 2007. The audited consolidated net profit before and after taxation of Interfield for the financial year ended 31 March 2006 was approximately HK\$20.16 million and HK\$16.22 million, respectively. The audited consolidated net profit before and

after taxation of Interfield for the financial year ended 31 March 2007 was approximately HK\$23.64 million and HK\$19.36 million, respectively. All financial information mentioned above is prepared in accordance with HKFRS.

Based on the above financial information and the valuation of comparable companies, taking into consideration the fact that the Interfield Group is working with the Group, the Directors consider that the consideration for the Acquisition in the amount of HK\$90.88 million is fair and reasonable.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange. The Directors anticipate that the Consideration Shares will be allotted and issued to the Vendor following the receipt of the listing approval from the Stock Exchange. The Consideration Shares will be subject to a lock-up period of up to five years.

Discloseable transaction for the Company

Based on the applicable ratios (other than the consideration ratio and the equity capital ratio) set forth in Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction (as such term is defined under the Listing Rules) for the Company under rule 14.06(2) of the Listing Rules.

A circular containing further information on the Acquisition will be despatched to the Shareholders pursuant to the requirements under rules 14.34 and 14.38 of the Listing Rules.

The Directors, including the Independent Directors, confirm the terms of the Sale and Purchase Agreement were negotiated on arm's length basis and fair and reasonable to the Company and the Shareholders as a whole. The Directors further consider that the Acquisition enables the Group to further vertically integrate the production process of the OEM/ODM Business. Hence, the Directors, including the Independent Directors, consider that the Acquisition is in the best interest of the Group and the Shareholders as a whole.

This announcement is made pursuant to rule 13.09(1) of the Listing Rules.

PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

Date 11 December 2007, after 4:00 p.m.

14.58(3)

14.60(1)

Parties Purchaser: China Ting Garment
Vendor: Tri-Star Fabric Printing Works Limited (三星印花厂有限公司) which and its ultimate beneficial owners, to the best knowledge, information and belief of the Directors, are third parties independent of the Company and connected persons (as such term is defined under the

Listing Rules) of the Company. Members of the Group have no prior business relationship or transactions with the Vendor and its ultimate beneficial owners which require aggregation under rule 14.22 of the Listing Rules, except that Mr. SHIH Hing Wong, Stephen, Mr. YIP Kwan Sang and Mr. LAI Shing, being the controlling shareholders (as such term is defined under the Listing Rules) of Interfield are working for the Interfield Group.

Vendor's

guarantor: Mr. SHIH Hing Wong, Stephen, the controlling shareholder (as such term is defined in the Listing Rules) of the Vendor

Purchaser's

guarantor: the Company

Major terms and conditions

The Acquisition

Pursuant to the Sale and Purchase Agreement, China Ting Garment, as purchaser, has agreed to purchase, and the Vendor, as vendor, has agreed to sell 14,046,000 shares of Interfield, representing 60 per cent. of the issued shares capital of Interfield, subject to the terms and conditions therein contained. 14.59(2)
14.60(2)

Prior to Completion, Interfield was 40 per cent. owned by China Ting Garment. Following Completion, Interfield will be wholly-owned by China Ting Garment and will become a wholly-owned subsidiary of the Company.

Basis of determining the amount of the total consideration

The consideration for the Acquisition will be settled by way of the Consideration Shares to be allotted and issued under the General Mandate. Based on closing price of each Share of HK\$1.98 on 10 December 2007, the total consideration for the Acquisition is approximately HK\$90.88 million. 14.58(4)
14.58(5)
14.58(6)

The amount of consideration is based on (i) the audited consolidated total assets of the Interfield Group of approximately HK\$131.54 million as at 31 March 2007; (ii) the audited consolidated net assets of the Interfield Group as at 31 March 2007 of approximately HK\$125.27 million and (iii) the unaudited consolidated net profit after taxation of the Interfield Group of approximately HK\$11.66 million for the six-month period ended 30 September 2007. The audited consolidated net profit before and after taxation of Interfield for the financial year ended 31 March 2006 was approximately HK\$20.16 million and HK\$16.22 million, respectively. The audited consolidated net profit before and after taxation of Interfield for the financial year ended 31 March 2007 was apparently HK\$23.64 million and HK\$19.36 million, respectively. All financial information mentioned above is prepared in accordance with HKFRS. 14.58(7)

Based on the above financial information and the valuation of comparable companies, taking into consideration the fact that the Interfield Group is working with the Group, the Directors consider that the consideration for the Acquisition in the amount of HK\$90.88 million is fair and reasonable.

The closing price of each Share on 10 December 2007 was HK\$1.98 and the average closing price of each Share for the last five trading days and ten trading days was HK\$1.96 and HK\$1.97, respectively.

Lock-up period for the Consideration Shares

The Consideration Shares will be subject to a lock-up period of up to five (5) years from the date of issue of the Consideration except that the Vendor may dispose of,

- (a) immediately after the first anniversary of the Completion Date, up to 20 per cent. of the Consideration Shares;
- (b) immediately after the second anniversary of the Completion Date, up to 30 per cent. of the Consideration Shares;
- (c) immediately after the third anniversary of the Completion Date, up to 40 per cent. of the Consideration Shares; and
- (d) immediately after the fourth anniversary of the Completion Date, up to 50 per cent. of the Consideration Shares.

Completion

Completion shall take place when the Consideration Shares are allotted and issued to the Vendor following the receipt of the listing approval from the Stock Exchange. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. 14.59(5)
14.60(4)(b)

Prior to allotment and issuance of the Consideration Shares, the Company has 413,250,000 Shares available under the General Mandate. Following the allotment and issuance of the Consideration Shares, the General Mandate will have 367,350,000 Shares unutilized. The General Mandate will expire on the date of the next annual general meeting of the Company.

Prior to Completion, Interfield is 40 per cent. owned by the Company and is an associate of the Company and the investment in associate is accounted for using the equity method of accounting. Following Completion, Interfield will be wholly-owned by China Ting Garment and will become a wholly-owned subsidiary of the Company. Hence, the results of the Interfield Group will be consolidated into the accounts of the Company following Completion.

As at the date of this announcement, the Company has 2,065,254,000 Shares in issue. Following Completion, the Company will have 2,111,154,000 Shares in issue with particulars set forth below:-

Shareholders	As at the date of this announcement		Following Completion but before full exercise of the outstanding option		Following Completion but after full exercise of the outstanding option	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Longerview Investments Limited	1,490,000,000	72.15	1,490,000,000	70.58	1,490,000,000	70.33
Vendor			45,900,000	2.17	45,900,000	2.17
Grantee under the share option scheme (<i>Note</i>)					7,500,000	0.35
Public Shareholders	575,254,000	27.85	575,254,000	27.25	575,254,000	27.15
Total	2,065,254,000	100	2,111,154,000	100	2,118,654,000	100

Note:-

The option was granted under the share option scheme entered into by the Company on 18 November 2005 to a director of a subsidiary of the Company.

INFORMATION ON THE INTERFIELD GROUP AND REASONS FOR THE ACQUISITION

Interfield Group is principally engaged in printing and dyeing business for silk and silk-blended garment. Interfield Group has two printing and dyeing plants located in Hangzhou and Heshan which has an aggregate annual production capacity of 10.0 million meters. Prior to Completion, Interfield was 40 per cent. owned by China Ting Garment. Consistent with one of the business objectives of the Group to enhance the OEM/ODM Business, the Directors believe that the Acquisition represents a good opportunity for the Group to further vertically integrate the production process of the Group which is expected to result in the following advantages:-

- (1) the Group will have complete ownership in all production plants that are vertically integrated in the production process of the OEM/ODM Business;
- (2) the Group will have better control on the production capacity of the Interfield Group and may expand the production capacity of the Interfield Group to support the business plans of the Group; and

- (3) the Group will have better control on and access to the printing and dyeing technology and may leverage it to develop further business opportunities with other business partners.

The Vendor is an investment holding company with no substantive business activities.

In light of the foregoing, the Directors, including the Independent Directors, believe that the Acquisition will enhance the production efficiency of the existing vertically integrated business model of the OEM/ODM Business.

The Directors, including the Independent Directors, confirm the terms of the Sale and Purchase Agreement were negotiated on arm's length basis and fair and reasonable to the Company and the Shareholders as a whole. The Directors further consider that the Acquisition enables the Group to further vertically integrate the production process of the OEM/ODM Business. Hence, the Directors, including the Independent Directors consider that the Acquisition is in the best interest of the Group and the Shareholders as a whole.

BUSINESS OF THE GROUP

14.58(2)

As at the date of this announcement, the business of the Group includes the OEM/ODM Business and the fashion retail business. The OEM/ODM Business includes the manufacturing of a variety of fashion and garment with silk, silk-blended, cotton, cotton-blended or synthetic fabrics as raw materials. The fashion retail business of the Group is focusing in the PRC with four brands and three licensed brands.

There will be no change in the composition of the Board following Completion.

DISCLOSEABLE TRANSACTION

Based on the applicable ratios (other than the consideration ratio and the equity capital ratio) set forth in Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction (as such term is defined under the Listing Rules) for the Company under rule 14.06(2) of the Listing Rules.

A circular containing further information on the Acquisition will be despatched to the Shareholders pursuant to the requirements under rules 14.34 and 14.38 of the Listing Rules.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Unless the context requires otherwise, capitalised terms used in this announcement shall have the following meanings:-

“Acquisition”	means the proposed acquisition of 60 per cent. of the issued share capital of Interfield pursuant to the Sale and Purchase Agreement;
“Board”	means the board of Directors;
“China Ting Garment”	means China Ting Garment MFG (Group) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
“Company”	means China Ting Group holdings Limited (华鼎集团控股有限公司), a company incorporated in the Cayman Islands with limited liability with the Shares listed on the Stock Exchange;
“Completion”	means completion of the allotment and issuance of the Consideration Shares;
“Completion Date”	means any date on which Completion is taken place, which is expected to be before 20 December 2007;
“Consideration Shares”	means 45,900,000 Shares representing approximately 2.22 per cent. and approximately 2.17 per cent. of the existing and the enlarged number of issued Shares following Completion, respectively; 14.59(1)
“Directors”	means the directors of the Company;
“General Mandate”	means the general mandate granted to the Directors on 8 May 2007, being the date of annual general meeting of the Company, for the allotment and issue of 413,250,000 Shares;
“Group”	means the Company and its subsidiaries (with the same meaning as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong));
“HK\$”	means the lawful currency of Hong Kong;
“HKFRS”	means The Hong Kong Financial Reporting Standards;

“Hong Kong”	means The Hong Kong Special Administrative Region;
“Independent Director(s)”	means the independent non-executive Director(s);
“Interfield”	means Interfield Industrial Limited (中都实业有限公司), a company incorporated in Hong Kong on 15 June 1990, which, before Completion, was owned by China Ting Garment as to 40 per cent.
“Interfield Group”	means Interfield and its subsidiaries, namely Hangzhou Huaxing Silk Printing and Dyeing Company Limited* (杭州华星丝绸印染企业有限公司) and Heshan Tri-Star Silk Dyeing and Printing Works Limited* (鹤山三星丝绸印染企业有限公司);
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“OEM/ODM Business”	means the business of the Group of manufacturing of silk and silk-blended apparel items;
“PRC”	means The People’s Republic of China which for the purpose of this announcement does not include Hong Kong, Taiwan and The Macau Special Administrative Region of the PRC;
“Sale and Purchase Agreement”	means the sale and purchase agreement dated 10 December 2007 entered into between the Vendor, China Ting Garment, Mr. SHIH Hing Wong, Stephen (being the controlling shareholder (as such term is defined under the Listing Rules) and the Company in respect of the Acquisition;
“Share(s)”	means the ordinary shares of the Company of HK\$0.1 each;
“Shareholder(s)”	means holder(s) of the Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and

“Vendor”

means Tri-Star Fabrics Printing Works Limited (三星印花厂有限公司), a company incorporated in Hong Kong and the 60 per cent. shareholder of Interfield.

** For identification purpose only*

By order of the Board of
CHINA TING GROUP HOLDINGS LIMITED
TING Hung Yi
Executive Director and Chief Executive Officer

The Directors as at the date of this announcement are as follows:-

Executive Directors:-

Mr. TING Man Yi, *Chairman*
Mr. TING Hung Yi, *Chief Executive Officer*
Mr. DING Jianer
Mr. WONG Sin Yung
Mr. CHEUNG Ting Yin, Peter

Independent Directors:-

Dr. CHENG Chi Pang
Mr. WONG Chi Keung
Mr. LEUNG Man Kit

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Hong Kong, 11 December 2007

This announcement will be published on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.chinatingholdings.com.