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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)

DISCLOSEABLE TRANSACTION RENEWAL OF THE NBC ENTRUSTED LOANS

RENEWAL OF THE NBC ENTRUSTED LOANS

The Board refers to the Previous Announcement, in which the Company announced that the NBC Entrusted Loan Agreements were entered into for a term of one year from 6 February 2013 to 5 February 2014. The purpose of this announcement is to inform the Shareholders that the NBC Entrusted Loan Agreements will expire on 6 February 2014 and will be renewed for a period of one year from the expiry date of the NBC Entrusted Loan Agreements. The terms and conditions of the NBC Entrusted Loans, other than the principal repayment period, will remain unchanged. The NBC Entrusted Loans will be due for full repayment on 5 February 2015.

The amount of the NBC Entrusted Loans is RMB130.0 million (equivalent to HK\$166.7 million). The Directors consider that the renewal of the NBC Entrusted Loans, together with the collaterals and the guarantees provided to Ningbo Bank Corporation, upon the same terms and conditions, would have no material impact on the financial position of the Group. The renewal of the NBC Entrusted Loans would 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\$200 million, which is sufficient for the business operations and the projects currently undertaken by the Group.

All of the terms and conditions of the renewal of the NBC Entrusted Loans (including the collaterals and the guarantees provided therefor) are negotiated on an arm's length basis upon normal commercial terms with Ningbo Bank Corporation and the Borrower, which will be for a term of one year commencing from 6 February 2014 with an interest rate of 18.0 per cent. per annum payable on the outstanding principal balance by the Borrower on a monthly basis. Affiliates of the Borrower have pledged land and properties to Ningbo Bank Corporation as collaterals. Corporate and personal guarantees have also been provided by affiliates or shareholders of the Borrower in favour of Ningbo Bank Corporation.

OPINION OF THE PRC LEGAL ADVISERS

The PRC Legal Advisers confirm that the renewal of the NBC Entrusted Loan Agreements is valid and enforceable under the PRC laws. The PRC Legal Advisers further confirm that the NBC Entrusted Loan Lenders, with and through the assistance from Ningbo Bank Corporation, will be entitled to enforce the relevant corporate and personal guarantees and take possession of the collaterals in the event of default by the Borrower of the repayment of the principal amount and the accrued interest on the principal amount.

DIRECTORS' VIEWS ON THE RENEWAL OF THE NBC ENTRUSTED LOANS

The Directors confirm that the renewal of the NBC Entrusted Loans is agreed upon normal commercial terms. The transaction structure and the terms of the entrusted loans, including the interest rate applicable, are agreed by the parties after arm's length negotiations with reference to the prevailing market practices and the prevailing interest rates for entrusted loans in the PRC. The Board considers that the interest rates charged to the Borrower under the NBC Entrusted Loans are acceptable and favourable to the Group taking into consideration the expected low bank deposit interest rates offered by commercial banks in China in the near future. As of the date of this announcement, the Borrower has never defaulted in the payment of the interest accrued on the NBC Entrusted Loans. The principal amount of the NBC Entrusted Loans is not required to be settled until the expiry of the NBC Entrusted Loan Agreements or if the loans are renewed, the renewed expiry date.

Taking into consideration the terms and conditions of the NBC Entrusted Loans, the established practice of entrusted loan arrangements in the PRC, the collaterals and guarantees provided to Ningbo Bank Corporation, and the prompt payment of the interest by the Borrower during the last year, the Directors, including the independent non-executive Directors, are of the view that the renewal of the NBC Entrusted Loans is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios, i.e. the consideration ratio, exceeds five per cent. but less than 25 per cent., the renewal of the NBC Entrusted Loans constitutes a discloseable transaction (as defined in Chapter 14 of the Listing Rules) for the Company. The amount of the NBC Entrusted Loans represent 4.4 per cent. under the assets ratio (as defined in Chapter 14 of the Listing Rules) of the Company, which does not exceed eight per cent. under the assets ratio as specified in Rule 13.13 of the Listing Rules. Hence, the Company is not required to make any disclosure under Chapter 13 of the Listing Rules.

The Board refers to the Previous Announcement, in which the Company announced that the NBC Entrusted Loan Agreements were entered into for a term of one year from 6 February 2013 to 5 February 2014.

The purpose of this announcement is to inform the Shareholders that the NBC Entrusted Loan Agreements will expire on 6 February 2014 and will be renewed for a period of one year from the expiry date of the NBC Entrusted Loan Agreements. The terms and conditions of the NBC Entrusted Loans, other than the principal repayment period, will remain unchanged. The NBC Entrusted Loans will be due for full repayment on 5 February 2015.

SUMMARY OF THE NBC ENTRUSTED LOAN AGREEMENTS

The renewal of the NBC Entrusted Loans will be upon the same terms and conditions set forth in the NBC Entrusted Loan Agreements (other than the principal repayment period). The following sets forth a summary of the principal terms of the NBC Entrusted Loans:

Date of signing of the renewal documents:	27 January 2014 (with the renewal date to be effective upon the expiry of the NBC Entrusted Loan Agreements)
NBC Entrusted Loan Lenders:	<ul style="list-style-type: none">(a) Hangzhou China Ting Fashion (under the Hangzhou China Ting Fashion Entrusted Loan Agreement)(b) Zhejiang China Ting Textile Technology (under the Zhejiang China Ting Textile Technology Entrusted Loan Agreement)(c) Zhejiang Concept Creator (under the Zhejiang Concept Creator Entrusted Loan Agreement)(d) Zhejiang Xinan (under the Zhejiang Xinan Entrusted Loan Agreement)(e) Hangzhou Fuding (under the Hangzhou Fuding Entrusted Loan Agreement)(f) Zhejiang China Ting Knitting (under the Zhejiang China Ting Knitting NCB Entrusted Loan Agreement)(g) China Ting (Hangzhou) Textile Technology (under the China Ting (Hangzhou) Textile Technology Entrusted Loan Agreement)(h) Zhejiang China Ting Group (under the Zhejiang China Ting Group Entrusted Loan Agreement)
Information on the Borrower:	<p>中都控股集團有限公司 (Zhongdou Group Holdings Limited*)</p> <p>The Borrower is a limited liability company established in the PRC and its principal business activities are investment holdings. The principal business activities of its operating subsidiaries are running and operating shopping arcades in the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Directors confirm that each of the Borrower, the Lending Agent, and their respective ultimate beneficial owner(s) is an Independent Third Party.</p>
Lending Agent:	Ningbo Bank Corporation
NBC Entrusted Loans:	RMB130 million (equivalent to HK\$166.7 million) which is carried forward from the outstanding amount of the principal amount under the NBC Entrusted Loan Agreements

Interest:

The interest payable by the Borrower under the renewal will continue to be charged at the rate of 18 per cent. per annum on the outstanding principal amount of the entrusted loans. The interest will be payable by the Borrower to the Lending Agent on the 21st day of each month until full repayment of the NBC Entrusted Loans, and the Lending Agent will forthwith remit the same amount to the NBC Entrusted Loan Lenders. As of the date of this announcement, the Borrower has never defaulted in the payment of the interest accrued on the NBC Entrusted Loans.

Service fee:

Service fee payable by the Borrower to the Lending Agent for the NBC Entrusted Loans is 0.1 per cent. per annum on the principal amount of the NBC Entrusted Loans.

Repayment term:

The renewal will extend the date of repayment of the principal amount of the NBC Entrusted Loans to 5 February 2015. Any early repayment request must be provided by the Borrower to the Lending Agent.

Security:

There will be no change in the collateral under the renewal arrangement. The NBC Entrusted Loans are secured by a parcel of land with a total area of 103,945.6 m² located at Lin'an City in Hangzhou. The land is currently owned by 浙江臨安中都置業有限公司 (Zhejiang Linan Zhongdou Property Company Limited*), a company owned as to 21.6 per cent. by the Borrower and 32.0 per cent. by Zhejiang Zhongdou Property Group Company Limited. If the Borrower is in default, the Lending Agent will assist the NBC Entrusted Loan Lenders to recover the principal amount and the accrued interest on the principal amount. The Lending Agent will also assist the NBC Entrusted Loan Lenders to take possession of the land pledged for the recovery of the amount due.

Corporate and personal guarantee:

There will be no change in the collateral under the renewal arrangement. A guarantee is executed by each of (a) 浙江中都房地產集團有限公司 (Zhejiang Zhongdou Property Group Company Limited*), a non-wholly owned subsidiary of the Borrower and (b) Mr. YANG Dingguo, the 90 per cent. equity interest holder of the Borrower in favour of Ningbo Bank Corporation to secure the obligations of the Borrower under the NBC Entrusted Loan Renewal Agreements. The corporate and the personal guarantees are of identical terms and conditions, and hence the liability of the guarantors thereunder is joint and several.

Opinion of the PRC Legal Advisers

The PRC Legal Advisers confirm that the renewal of the NBC Entrusted Loan Agreements is valid and enforceable under the PRC laws. The PRC Legal Advisers further confirm that the NBC Entrusted Loan Lenders, with and through the assistance from Ningbo Bank Corporation, will be entitled to enforce the relevant corporate and personal guarantees and take possession of the collaterals in the event of default by the Borrower of the repayment of the principal amount and the accrued interest on the principal amount.

GENERAL INFORMATION

Information on the lenders under the NBC Entrusted Loan Renewal Agreements

The NBC Entrusted Loan Lenders (except for Zhejiang China Ting Group) are wholly-owned subsidiaries of the Company and are the operating entities of the Group. The business of the Group includes the production and sales of garment and apparel items on an OEM basis and the retail sales of fashion and apparel items in the PRC. Zhejiang China Ting Group is a non-wholly owned subsidiary of the Company and is engaged in the business of garment manufacturing and investment holding. 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 of the world, including the United States and major European countries. The fashion retail business of the Group is based in China.

Information on the Lending Agent

The Lending Agent is a commercial bank in the PRC registered with and under the supervision of the China Banking Regulatory Committee to conduct banking and related business in the PRC.

REASONS FOR, AND BENEFITS OF, THE RENEWAL OF THE NBC ENTRUSTED LOANS

The Directors consider that a prudent investment and treasury strategy will allow the Group to increase the return on the financial resources of the Group. The Directors anticipate the bank deposit interest rates offered by commercial banks in the PRC to remain low in the near future. Hence, on the basis that the Group will not require to pay any additional amount and that the current interest rate under the NBC Entrusted Loans is substantially higher than the bank deposit interest rates, the Directors, including the independent non-executive Directors, consider that the renewal of the NBC Entrusted Loans is beneficial to the Group.

In reaching their conclusion, the Directors, including the independent non-executive Directors, also consider the legal opinion of the PRC Legal Advisers. Entrusted loans are a common practice adopted by commercial banks in the PRC. The entrusted loan arrangements allow the lenders to receive additional interest income, and the lending banks are in a better position to assess the credit risks of the prospective Borrower. Hence, the Directors, including the independent non-executive Directors, believe that entrusted loan arrangements are a relatively prudent method to facilitate an efficient use of the financial resources of the Group without encountering unmanageable credit risks.

The NBC Entrusted Loans are made on the basis of and with the assistance from Ningbo Bank Corporation in conducting credit assessments on the Borrower's financial strength, repayment ability, collaterals and guarantees provided to secure obligations of the Borrower under the entrusted loan arrangements. As of the date of this announcement, the Borrower has never defaulted in the payment of the interest accrued on the NBC Entrusted Loans. The principal amount of the NBC Entrusted Loans is not required to be settled until the expiry of the NBC Entrusted Loan Agreements or if the loans are renewed, the renewed expiry date.

The Directors consider that the renewal of the NBC Entrusted Loans, together with the collaterals and the guarantees provided to Ningbo Bank Corporation, upon the same terms and conditions, would have no material impact on the financial position of the Group. The renewal of the NBC Entrusted Loans would 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\$200 million, which is sufficient for the business operations and the projects currently undertaken by the Group.

Taking into consideration the above factors, the Directors, including the independent non-executive Directors, are of the view that the renewal of the NBC Entrusted Loan Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios, i.e. the consideration ratio, exceeds five per cent. but less than 25 per cent., the renewal of the NBC Entrusted Loans constitutes a discloseable transaction (as defined in Chapter 14 of the Listing Rules) for the Company. The amount of the NBC Entrusted Loans represent 4.4 per cent. under the assets ratio (as defined in Chapter 14 of the Listing Rules) of the Company, which does not exceed eight per cent. under the assets ratio as specified in Rule 13.13 of the Listing Rules. Hence, the Company is not required to make any disclosure under Chapter 13 of the Listing Rules.

DEFINITIONS USED IN THIS ANNOUNCEMENT

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

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| “associate(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Board” | means the board of Directors; |
| “Borrower” | means 中都控股集團有限公司 (Zhongdou Group Holdings Limited*), a company established in the PRC with limited liability and is owned as to 90.0 per cent. by Mr. YANG Dingguo, an Independent Third Party, and 10.0 per cent. by Mr. YANG Shengshou, an Independent Third Party, the principal business activities of the Borrower are investment holdings; |
| “China Ting (Hangzhou) Textile Technology” | means 華鼎(杭州)紡織科技有限公司 (China Ting (Hangzhou) Textile Technology Textile Technology Company Limited*), a wholly-foreign owned enterprise established in the PRC on 29 December 2004 and a wholly-owned subsidiary of the Company; |
| “China Ting (Hangzhou) Textile Technology Entrusted Loan Agreement” | means the entrusted loan agreement entered into between China Ting (Hangzhou) Textile Technology with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB10 million (equivalent to HK\$12.8 million) to the Borrower through the Lending Agent; |
| “Company” | means China Ting Group Holdings Limited (華鼎集團控股有限公司), a company incorporated in the Cayman Islands and listed on the Stock Exchange; |

“Directors”	means the directors of the Company;
“Group”	refers to the Company and its subsidiaries;
“Hangzhou China Ting Fashion”	means 杭州華鼎時裝有限公司 (Hangzhou China Ting Fashion Company Limited*), a wholly-foreign owned enterprise established in the PRC on 4 December 2001 and a wholly-owned subsidiary of the Company;
“Hangzhou China Ting Fashion Entrusted Loan Agreement”	means the entrusted loan agreement entered into between Hangzhou China Ting Fashion with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB10.0 million (equivalent to HK\$12.8 million) to the Borrower through the Lending Agent;
“Hangzhou Fuding”	means 杭州富鼎時裝有限公司 (Hangzhou Fuding Fashion Company Limited*), a wholly-foreign owned enterprise established under the laws of the PRC on 30 June 2005 and a wholly-owned subsidiary of the Company;
“Hangzhou Fuding Entrusted Loan Agreement”	means the entrusted loan agreement entered into between Hangzhou Fuding with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB15.0 million (equivalent to HK\$19.2 million) to the Borrower through the Lending Agent;
“Independent Third Party(ies)”	means any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined under with the Listing Rules) of the Company;
“Lending Agent”	means Ningbo Bank Corporation;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“NBC Entrusted Loan Agreements”	means collectively the eight entrusted loan agreements dated 5 February 2013 and entered into between each of the NBC Entrusted Loan Lenders, the Borrower, and the Lending Agent on the NBC Entrusted Loans;
“NBC Entrusted Loan Lenders”	means Hangzhou China Ting Fashion, Zhejiang China Ting Textile Technology, Zhejiang Concept Creator, Zhejiang Xinan, Hangzhou Fuding, Zhejiang China Ting Knitting, China Ting (Hangzhou) Textile Technology, and Zhejiang China Ting Group;

“NBC Entrusted Loans”	means the entrusted loans in the principal amount of RMB10.0 million, RMB12.0 million, RMB31.0 million, RMB15.0 million, RMB15.0 million, RMB8.0 million, RMB10.0 million and RMB29.0 million, respectively (equivalent to HK\$12.8 million, HK\$15.4 million, HK\$39.8 million, HK\$19.2 million, HK\$19.2 million, HK\$10.3 million, HK\$12.8 million and HK\$37.2 million, respectively) made by each of the NBC Entrusted Loan Lenders, in an aggregated amount of RMB130 million (equivalent to HK\$166.7 million) to the Borrower through the Lending Agent subject to and upon the terms and conditions of the NBC Entrusted Loan Agreements and its renewal;
“Ningbo Bank Corporation”	means 寧波銀行股份有限公司杭州余杭支行 (Ningbo Bank Corporation, Hangzhou Yukang Branch*), a PRC commercial bank;
“PRC”	means The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“PRC Legal Advisers”	means 浙江民禾律師事務所 (Zhejiang Minhe Law Firm), a firm practicing lawyers in the PRC;
“Previous Announcement”	means the announcement issued by the Company on 5 February 2013;
“Shares”	means the shares of the Company with a par value of HK\$0.10 each;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Zhejiang China Ting Group”	means 浙江華鼎集團有限責任公司 (Zhejiang China Ting Group Company Limited*), a wholly-foreign owned enterprise established under the laws of the PRC on 16 August 2001 and owed as to 92.0 per cent. by the Company and the remaining eight per cent. by Mr. DING Xinger, Mr. FU Xiao Bo and Mr. YE Ai Min;
“Zhejiang China Ting Group Entrusted Loan Agreement”	means the entrusted loan agreement entered into between Zhejiang China Ting Group with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB29.0 million (equivalent to HK\$37.2 million) to the Borrower through the Lending Agent;
“Zhejiang China Ting Knitting”	means 浙江華鼎針織品有限公司 (Zhejiang China Ting Knitting Garment Company Limited*), a wholly-foreign owned enterprise established in the PRC on 4 December 2001 and a wholly-owned subsidiary of the Company;
“Zhejiang China Ting Knitting NCB Entrusted Loan Agreement”	means the entrusted loan agreement entered into between Zhejiang China Ting Knitting with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB8.0 million (equivalent to HK\$10.3 million) to the Borrower through the Lending Agent;

- “Zhejiang China Ting Textile Technology”** means 浙江華鼎紡織科技有限公司 (Zhejiang China Ting Textile Technology Company Limited*), a wholly-foreign owned enterprise established in the PRC on 24 August 2002 and a wholly-owned subsidiary of the Company;
- “Zhejiang China Ting Textile Technology Entrusted Loan Agreement”** Means the entrusted loan agreement entered into between Zhejiang China Ting Textile Technology with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB12.0 million (equivalent to HK\$15.4 million) to the Borrower through the Lending Agent;
- “Zhejiang Concept Creator”** means 浙江創越時裝有限公司 (Zhejiang Concept Creator Fashion Company Limited*), a wholly-foreign owned enterprise established in the PRC on 24 January 2000 and a wholly-owned subsidiary of the Company;
- “Zhejiang Concept Creator Entrusted Loan Agreement”** means the entrusted loan agreement entered into between Zhejiang Concept Creator with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB31.0 million (equivalent to HK\$39.8 million) to the Borrower through the Lending Agent;
- “Zhejiang Xinan”** means 浙江信安時裝有限公司 (Zhejiang Xinan Fashion Company Limited*), a wholly-foreign owned enterprise established in the PRC on 17 January 2002 and a wholly-owned subsidiary of the Company;
- “Zhejiang Xinan Entrusted Loan Agreement”** means the entrusted loan agreement entered into between Zhejiang Xinan with the Borrower and the Lending Agent on 5 February 2013 in relation to the provision of an entrusted loan in the amount of RMB15.0 million (equivalent to HK\$19.2 million) to the Borrower through the Lending Agent;
- “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, 27 January 2014

* *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 = RMB0.78. 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.