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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: 03398)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE EQUITY INTEREST IN AN ASSOCIATE COMPANY TERMINATION OF THE JOINT VENTURE AGREEMENT AND THE OPTION DEED

The Board refers to the announcement of the Company dated 24 March 2012 on the Joint Venture Agreement and the Option Deed. Pursuant to the Joint Venture Agreement, GT Fashion and Hangzhou Trading have been established for the Business. GT Fashion is owned as to 49.0% by Finity and is an associate company of the Company. Pursuant to the Option Deed, the Group has granted the Options to G-III Hong Kong.

As the Group would like to focus on its core business, Finity has agreed to sell to the Purchaser 49.0% of the issued shares of GT Fashion. G-III has also agreed to sell to the Purchaser 51.0% of the issued shares of GT Fashion. Following completion of the sale and purchase, GT Fashion and Hangzhou Trading will be wholly-owned by the Purchaser.

On 10 September 2014 (after trading hours), the following agreements have been entered into for the purpose of the sale and purchase of the shares of GT Fashion:-

- (a) the Share Purchase Agreement for the purpose of sale and purchase of all the issued shares of GT Fashion. The total purchase price (before adjustment) would be US\$7.3 million (equivalent to HK\$57.0 million) to which Finity and G-III would be entitled on a pro rata basis. The purchase price is subject to possible adjustments which would also be borne or shared by Finity and G-III on a pro rata basis.
- (b) the Transition Services Agreement whereby Finity and the Company have agreed to provide certain limited transition services at the cost of the Purchaser for the smooth transition of the Business, so that the Business would be conducted in the same manner prior to the Closing Date. The services include sourcing, operational management and other supporting services, and the provision of which will be terminated on 31 January 2015 unless otherwise agreed by the Company, Finity and the Purchaser.

(c) the Termination Deed whereby the Joint Venture Agreement and the Option Deed are terminated on the Closing Date and that each of the parties is released from all the obligations under the Joint Venture Agreement and the Option Deed.

Pursuant to the Share Purchase Agreement, the Purchaser will settle within 30 days after the Closing Date the aggregate amount of RMB16.0 million (equivalent to HK\$20.3 million) for the re-payment in full of the principal and the accrued interest through 31 August 2014 of the Hangzhou Trading Entrusted Loans from and after the Closing Date other than the interest payable on the Hangzhou Trading Entrusted Loans between 31 August 2014 and the date on which the Hangzhou Trading Entrusted Loans are repaid.

The Directors estimate on preliminary basis that the Group may, subject to the review and confirmation by the auditors, record a gain on disposal of US\$1.7 million (equivalent to HK\$13.3 million) following the Closing which is based on the consideration received by the Group less the attribute portion of the unaudited consolidated net assets value of GT Fashion as at 30 June 2014.

The terms and conditions of the Share Purchase Agreement, the Ancillary Agreements and the Termination Deed are negotiated on an arm's length basis and on normal commercial terms, which are considered by the Directors (including the independent non-executive Directors) to be fair and reasonable.

Having considered the scope of the services provided under the Transition Services Agreement and the fact that the cost of the services would be reimbursed by the Purchaser at such rates as agreed by the Company, Finity and the Purchaser on an arm's length basis, the Directors (including the independent non-executive Directors) consider that the arrangements under the Transition Services Agreement would not have any material adverse impact on the Group. The services provided under the Transition Services Agreement would not constitute a notifiable transaction (as defined in Chapter 14 of the Listing Rules) for the Company.

The Directors (including the independent non-executive Directors) consider that the termination of the Joint Venture Agreement and the Option Deed have no material adverse impact on the interest of the Company and the Shareholders as a whole as well as the business and financial position of the Group.

As one of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Share Purchase Agreement is more than 5% but less than 25%, the sale of 49.0% of the issued shares of GT Fashion by Finity constitutes a disclosure transaction (as such term is defined under the Listing Rules) for the Company.

BACKGROUND INFORMATION

The Board refers to the announcement of the Company dated 24 March 2012 on the Joint Venture Agreement and the Option Deed. Pursuant to the Joint Venture Agreement, GT Fashion and Hangzhou Trading have been established for the Business. GT Fashion is owned as to 49.0% by Finity and is an associate company of the Company. Pursuant to the Option Deed, the Group has granted the Options to G-III Hong Kong.

As the Group would like to focus on its core business, Finity has agreed to sell to the Purchaser 49.0% of the issued shares of GT Fashion. G-III has also agreed to sell to the Purchaser 51.0% of the issued shares of GT Fashion. Following completion of the sale and purchase, GT Fashion and Hangzhou Trading will be wholly-owned by the Purchaser.

The sale of the shares of GT Fashion by Finity constitutes a discloseable transaction (as such term is defined under the Chapter 14 of the Listing Rules) for the Company. Further information on the implications under the Listing Rules is set forth in the paragraphs under “Implications under the Listing Rules” below.

PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT AND RELATED DOCUMENTS

On 10 September 2014 (after trading hours), the Sellers, the Purchaser and PVH entered into the Share Purchase Agreement and the Ancillary Agreements for the purpose of the sale and purchase of all issued shares of GT Fashion. The Share Purchase Agreement contains all the terms and conditions negotiated on an arm’s length basis between the Sellers and the Purchaser, and a summary of the principal terms is set forth below:–

Date: 10 September 2014

Parties:

- (1) (a) Company and Finity as the Seller of 49.0% of the issued shares of GT Fashion and (b) G-III as the Seller of 51.0% of the issued shares of GT Fashion
- (2) Warnaco Asia Limited as the Purchaser
- (3) PVH as the parent company (being parent company of the Purchaser)

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, G-III (one of the Sellers), the Purchaser and PVH and their ultimate beneficial owner(s) are Independent Third Parties.

The Share Purchase Agreement is the definitive document for the sale and purchase of all issued shares of GT Fashion. The parties have also entered into the Ancillary Agreements for the related arrangements after Closing.

Assets to be disposed of: (a) The Company and Finity and (b) G-III will sell, and the Purchaser will purchase, 49.0% and 51.0%, of the issued shares of GT Fashion, respectively.

Purchase price: Subject to the adjustments set forth below, the total purchase price for all issued shares of GT Fashion is US\$7.3 million (equivalent to HK\$57.0 million) and shall be remitted to each of the bank account of Finity and G-III on a pro rata basis subject to adjustment in the paragraphs headed “Adjustment to the purchase price” below.

On the Closing Date, the purchase price of US\$2.6 million (equivalent to HK\$20.3 million) and US\$2.7 million (equivalent to HK\$21.1 million) will be paid to Finity and G-III, respectively. G-III will also be entitled to US\$0.5 million (equivalent to HK\$3.9 million) as the royalty fee. The Purchaser shall deposit the remainder of the purchase price, i.e. US\$1.5 million (equivalent to HK\$11.7 million) (the “**Escrow Amount**”), into an escrow account (the “**Escrow Account**”) subject to the terms and conditions of the Escrow Agreement.

The purchase price was negotiated between the Sellers and the Purchaser on an arm’s length basis primarily with reference to the consolidated net assets value of GT Fashion and Hangzhou Trading as of 31 July 2014, subject to certain adjustments.

Based on the reasons above, the Directors (including the independent non-executive Directors) confirm that the entitlement of Finity from the sale of its shareholding in GT Fashion is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Hangzhou Trading
Entrusted Loans:

The Purchaser will settle within 30 days after the Closing Date the aggregate amount of RMB16.0 million (equivalent to HK\$20.3 million) for the re-payment in full of the principal and the accrued interest through 31 August 2014 of the Hangzhou Trading Entrusted Loans from and after the Closing Date other than the interest payable on the Hangzhou Trading Entrusted Loans between 31 August 2014 and the date on which the Hangzhou Trading Entrusted Loans are repaid.

Conditions precedent
and deliverables at
Closing:

At the Closing, the Purchaser shall:-

- (a) deliver to each Seller the respective portion of the Purchase Price in U.S. dollars by wire transfer of immediately available funds to the bank account of such Seller; and
- (b) deposit the Escrow Amount pursuant to the terms and conditions of the Escrow Agreement.

At the Closing, each Seller shall deliver or cause to be delivered to Purchaser, amongst other items which are customary for a share sale and purchase transaction for Hong Kong company, the following documents:-

- (a) written resolutions of the governing body of each Seller confirming the authorisation and due execution of the Share Purchase Agreement and the Ancillary Agreement;
- (b) written evidence on termination of the Joint Venture Agreement and the Deed of Termination; and
- (c) such other documents and certificates as agreed from time to time by the Sellers and the Purchaser for the purpose of the transactions contemplated under the Share Purchase Agreement.

- Closing:** Closing has been taken place immediately following the signing of the Share Purchase Agreement and the Ancillary Agreements on the Closing Date with the fulfillment of the conditions precedents and exchange of the deliverables for the Closing.
- Closing statement:** No later than 180 days after the Closing Date, the Purchaser will prepare a closing statement based on the Adjusted Net Assets as of the Closing Date and 31 August 2014. If the Sellers disagree with the Purchaser's calculation of the Adjusted Net Assets as set forth on the closing statement, the Sellers may, within 30 days after delivery of the closing statement, deliver a notice to the Purchaser stating such disagreement. The Purchaser and the Sellers shall discuss and agree on a best effort basis. In the absence of such agreement, the Purchaser and the Seller shall appoint a firm of independent account to review the disagreed amount.
- Adjustment to the purchaser price:** The purchase price may be increased or decreased as shown in the closing statement set forth above. Any payment shall be made within five (5) Business Days after the adjusted purchase price has been agreed by the Sellers and the Purchaser or otherwise determined by the independent accountant.
- Transitional employees:** The Group would provide certain transitional employees to GT Fashion and Hangzhou Trading for the smooth transition of the Business following the Closing Date. The Group may re-employ these employees following 31 January 2015.
- Transitional services:** The Transition Services Agreement has been entered into whereby Finity and the Company have agreed to provide certain limited transition services at the cost of the Purchaser for the smooth transition of the Business so that it would be conducted in the same manner prior to the Closing Date. The services include sourcing, operational management and other supporting services, and the provision of which will be terminated on 31 January 2015 unless otherwise agreed by the Company, Finity and the Purchaser.
- Indemnity:** Each Seller shall on a pro rata basis indemnify the Purchaser and its parent company from and against, and agree to hold each of them harmless from, any and all damage, loss, liability and expense incurred or suffered by Purchaser and its holding company arising from (a) any breach of a representation, warranty or covenant made or to be performed by Sellers; (b) any Pre-Closing Liabilities; (c) any failure by Purchaser to collect, prior to the date that is six (6) months after the Closing Date, any accounts receivable set forth in the closing statement, net of reserve; and (d) any obligation, if any, on the redundant employees or the obligations on the transitional employees prior to the Closing Date.
- The maximum aggregate amount of the indemnify set forth above would not exceed US\$6.0 million (equivalent to HK\$46.8 million).

The Purchaser and its parent company shall indemnify each of the Sellers from and against, and agree to hold each of them harmless from, any and all damage, loss, liability and expense incurred or suffered by Sellers arising from (a) any breach of representation, warranty or covenant made or to be performed by the Purchaser or its holding company; (b) any tax payment imposed on any of GT Fashion and Hangzhou Trading for a fixed period after the Closing Date; (c) any tax or the damage or loss incurred or suffered by the Sellers, the Company or any of their respective affiliates as a result of any breach of any covenant or agreement in relation to tax matters; and (d) the obligation to pay the transition employees after the Closing Date.

The maximum aggregate amount of indemnity set forth above would not exceed US\$125,000 (equivalent to HK\$975,000).

Governing law and dispute resolution: The law of Hong Kong with arbitration to be conducted in New York.

PRINCIPAL TERMS OF TERMINATION DEED

The Group has no equity interest in GT Fashion following Closing. On 10 September 2014 (after trading hours), the Company, Finity, G-III and G-III Hong Kong mutually agreed to terminate the Joint Venture Agreement and the Option Deed by entering into the Termination Deed, pursuant to which the Joint Venture Agreement and the Option Deed are terminated as of the Closing Date and that all of the terms and conditions of the Joint Venture Agreement and the Option Deed cease to have any binding and legal effect upon the parties and that each of the parties is released from all the obligations under the Joint Venture Agreement and the Option Deed.

Pursuant to the Termination Deed, neither any of the Company, Finity, G-III nor G-III Hong Kong, is required by the other party to provide any consideration in connection with the entering into the Termination Deed.

No Option has been exercised by G-III Hong Kong pursuant to the Option Deed as of the date of execution of the Termination Deed.

REASON FOR THE SALE OF THE SHAREHOLDING IN GT FASHION AND ENTERING INTO THE TERMINATION DEED

The Group would like to focus on its core business which is considered to be in the interest of the Company and the Shareholders as a whole. The Group has no equity interest in GT Fashion following Closing, and the effect of entering into the Termination Deed is to terminate the Joint Venture Agreement and the Option Deed. The Directors (including the independent non-executive Directors) consider that it is appropriate to terminate all the related arrangements at the same time.

Having considered the scope of the services provided under the Transition Services Agreement and the fact that the cost of the services would be reimbursed by the Purchaser at such rates as agreed by the Company, Finity and the Purchaser on an arm's length basis, the Directors (including the independent non-executive Directors) consider that the arrangements under the

Transition Services Agreement would not have any material adverse impact on the Group. The services provided under the Transition Services Agreement would not constitute a notifiable transaction (as defined in Chapter 14 of the Listing Rules) for the Company.

The terms and conditions of the Share Purchase Agreement, the Ancillary Agreements and the Termination Deed are negotiated on an arm's length basis and on normal commercial terms, which are considered by the Directors (including the independent non-executive Directors) to be fair and reasonable.

The Directors (including the independent non-executive Directors) consider that the termination of the Joint Venture Agreement and Option Deed have no material adverse impact on the interest of the Company and the Shareholders as a whole as well as the business and financial position of the Group.

FINANCIAL EFFECT OF THE TRANSACTIONS

The Directors estimate on preliminary basis that the Group may, subject to the review and confirmation by the auditors, record a gain on disposal of US\$1.7 million (equivalent to HK\$13.3 million) following the Closing which is based on the consideration received by the Group less the attribute portion of the unaudited consolidated net assets value of GT Fashion as at 30 June 2014.

The amount received from the transactions will be used by the Group as its general working capital.

INFORMATION ON THE COMPANY, FINITY, G-III, G-III HONG KONG, GT FASHION, PVH AND WARNACO ASIA LIMITED

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

Finity is a wholly-owned subsidiary of the Company.

G-III is a leading manufacturer and distributor of outerwear, dresses, sportswear, swimwear, women's suits and women's performance wear, as well as footwear, luggage and women's handbags, small leather goods and cold weather accessories, under licensed brands, its own brands and private label brands. G-III sells swimwear, resort wear and related accessories under its own Vilebrequin brand. G-III also sells outerwear, dresses and performance wear under its own Andrew Marc and Marc New York brands and has licensed these brands to select third parties in certain product categories. G-III has fashion licenses under the Calvin Klein, Kenneth Cole, Cole Haan, Guess?, Tommy Hilfiger, Jones New York, Jessica Simpson, Vince Camuto, Ivanka Trump, Nine West, Ellen Tracy, Kensie, Mac & Jac, Levi's and Dockers brands. Through its team sports business, they have licenses with the National Football League, National Basketball Association, Major League Baseball, National Hockey League, Touch by Alyssa Milano and more than 100 U.S. colleges and universities. Its other owned brands include Bass, G.H. Bass, G-III Sports by Carl Banks, Eliza J, Black Rivet, Jessica Howard and Winlit. G-III also operates retail stores under the Wilsons Leather, Bass, G.H. Bass & Co., Vilebrequin, Calvin Klein Performance and Andrew Marc names.

G-III Hong Kong is a wholly-owned subsidiary of G-III.

Before the Closing, GT Fashion is a joint venture company between Finity and G-III holding 49.0% and 51.0% of the issued shares of GT Fashion. GT is an investment holding company with no business activities and Hangzhou Trading is a wholly-foreign invested commercial enterprise established in China principally engaged in the fashion and apparel retail business in China.

PVH, one of the world's largest apparel companies, owns and markets the iconic Calvin Klein and Tommy Hilfiger brands worldwide. It is the world's largest shirt and neckwear company and markets a variety of goods under its own brands, Van Heusen, Calvin Klein, Tommy Hilfiger, IZOD, ARROW, Warner's and Olga, and its licensed brands, including Speedo, Geoffrey Beene, Kenneth Cole New York, Kenneth Cole Reaction, MICHAEL Michael Kors, Sean John, Chaps, Donald J. Trump Signature Collection, DKNY, Ike Behar and John Varvatos.

Warnaco Asia Limited is a Hong Kong corporation and an indirect wholly owned subsidiary of PVH.

As of the date of the Closing, PVH and Warnaco and their respective associates have confirmed that they have no interest in the Shares or any underlying securities that may be converted into Shares.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Share Purchase Agreement is more than 5% but less than 25%, the sale of 49.0% of the issued shares of GT Fashion by Finity constitutes a disclosure transaction (as such term is defined under the Listing Rules) for the Company.

DEFINITIONS USED IN THIS ANNOUNCEMENT

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

“Adjusted Assets”	means the sum of the value of the assets of GT Fashion and Hangzhou Trading;
“Adjusted Liabilities”	means the sum of the value of the indebtedness, accounts payable and accrued expenses of GT Fashion and Hangzhou Trading;
“Adjusted Net Assets”	means Adjusted Assets minus Adjusted Liabilities;
“Ancillary Agreements”	means the Transition Services Agreement, the Escrow Agreement and such other documents as may be agreed by the relevant parties from time to time;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“associate company”	means a company in which another company owns the voting right in general meeting of more than 20.0% but less than 50.0% and the operating results of which are not consolidated into that other company;

“Board”	means the board of Directors;
“Business”	means the business conducted by Hangzhou Trading including the CK Performance retail stores operated or permitted to be operated by it in China;
“Business Day”	refers to any day (other than Saturday, Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong throughout its normal hours;
“Closing”	means completion of the sale and purchase of all issued shares of GT Fashion under the Share Purchase Agreement;
“Closing Date”	means 10 September 2014;
“Company”	refers to China Ting Group Holdings Limited (華鼎集團控股有限公司), a company incorporated in the Cayman Islands with the Shares listed on the Stock Exchange;
“Directors”	means the directors of the Company;
“Escrow Agreement”	means the escrow agreement dated 10 September 2014 entered into between Finity, G-III, Warnaco and the escrow agent named therein;
“Finity”	means Finity Apparel Retail Limited 菲妮迪國際時裝零售有限公司, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
“G-III”	means G-III Apparel Group Ltd., a company established in the State of the Delaware, the United States;
“G-III Hong Kong”	G-III Hong Kong Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of G-III;
“Group”	refers to the Company and its subsidiaries;
“GT Fashion”	means G-T (International) Fashion Company Limited 思銳(國際)時尚有限公司, a limited company incorporated in Hong Kong;
“Hangzhou Trading”	means 杭州思銳貿易有限公司 (Hangzhou G-T Trading Co., Ltd.), a wholly-foreign invested commercial enterprise established in China for conducting the Business pursuant to the Joint Venture Agreement and a wholly-owned subsidiary of GT Fashion;
“Hangzhou Trading Entrusted Loans”	means the entrusted loans from the Bank of Ningbo and Pudong Development Bank to Hangzhou Trading;
“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China;

“Independent Third Parties”	means an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any directors, chief executive or substantial shareholders of our Company, our subsidiaries or any of their respective associates;
“Joint Venture Agreement”	means the joint venture agreement dated 19 March 2012 entered into between Finity and G-III;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Option Deed”	means the share option deed dated 24 March 2012 entered into between the Company and G-III;
“Option Price”	means HK\$1.0 per Option Share or as adjusted in accordance with the Option Deed;
“Option Share”	means 80,000,000 Shares as of the date of the Share Option Deed or as adjusted in accordance with the Option Deed;
“Options”	means the options to subscribe for the Option Shares at the Option Price granted to G-III pursuant to the Option Deed;
“Pre-Closing Liabilities”	means any and all liabilities, obligations and commitments of GT Fashion and Hangzhou Trading any kind or nature whatsoever and any and all liabilities, obligations and commitments of Sellers relating to the Business, whether known or unknown, express or implied, primary or secondary, direct or indirect, liquidated or unliquidated, absolute, accrued, contingent or otherwise, and whether due or to become due, existing as of the Closing Date, other than those set forth, and solely to the extent set forth, on the closing statement;
“Purchaser”	means Warnaco Asia Limited, a limited company incorporated in Hong Kong and Independent Third Party, the purchaser under the Share Purchase Agreement;
“PVH”	means PVH Corp., the parent company of the Purchaser, a company established in the State of the Delaware, the United States;
“Sellers”	means (a) the Company and Finity and (b) G-III, the sellers under the Share Purchase Agreement;
“Share Purchase Agreement”	means the share purchase agreement dated 10 September 2014 entered into among the Company, Finity, G-III, PVH and the Purchaser in relation to the purchase and sale of the entire issued share capital of GT Fashion;
“Shareholders”	means the shareholders of the Company;
“Shares”	means the ordinary shares of the Company with a par value of HK\$0.10 each;

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Termination Deed”	means the termination deed of the Joint Venture Agreement and the Share Option Deed dated 10 September 2014 entered into among the Company, Finity, G-III and G-III Hong Kong;
“Transactions”	means the purchase and sale of the Shares and the other transactions contemplated by the Share Purchase Agreement;
“Transition Services Agreement”	means the transition services agreement dated 10 September 2014 entered into among the Company, Finity, G-III, Hangzhou Trading, PVH and the Purchaser;
“United States”	means the United States of America;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	means Renminbi, the lawful currency of the PRC; and
“US\$”	means United States dollars; the lawful currency of the United States.

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

Hong Kong, 10 September 2014

Unless otherwise specified, translations of US\$ into HK\$ in this announcement are based on the rate of HK\$1.0 = US\$7.8. Unless otherwise specified, translations of RMB into HK\$ in this announcement are based on the rate of HK\$1.0 = RMB0.79. No representation is made that any amount in HK\$ and US\$ can be or could have been converted at the relevant dates at this rate or any other rates at all.

All time and dates referred to in this announcement are Hong Kong time and dates.

As of the date of this announcement, the Board comprises seven Directors, of which Mr. TING Man Yi (Chairman), Mr. TING Hung Yi (Chief Executive Officer), Mr. DING Jianer and Mr. CHEUNG Ting Yin, Peter are executive Directors, and Mr. WONG Chi Keung, Dr. CHENG Chi Pang and Mr. LEUNG Man Kit are independent non-executive Directors.