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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)

PROFIT WARNING FOR THE YEAR ENDING 31 DECEMBER 2014

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

Based on the currently available information which includes, but without limitation to, the unaudited management accounts of the Group for the ten months ended 31 October 2014, the Board wishes to inform the Shareholders and prospective investors of the Company that the Group may incur loss before tax for the year ending 31 December 2014 even though the revenue of the Group for the year ending 31 December 2014 is expected to remain stable. The Directors expect that the loss before tax of the Group for the year ending 31 December 2014 would not be more than HK\$193.0 million.

The Directors expect that the announcement of the audited consolidated results of the Group for the year ending 31 December 2014 will be published in March 2015 in compliance with the requirements under the Listing Rules.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China Ting Group Holdings Limited (the “**Company**” which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Following preliminary review of the currently available information which includes, but without limitation to, the unaudited management accounts of the Group for the ten months ended 31 October 2014, the Board wishes to inform the Shareholders and prospective investors of the Company that the Group may incur loss before tax for the year ending 31 December 2014. The Directors expect that the loss before tax of the Group for the year ending 31

December 2014 would not be more than HK\$193.0 million. Although the revenue of the Group for the year ending 31 December 2014 is expected to remain stable, the Group is expected to incur loss before tax principally due to the following factors:—

- (1) increase in the amount of the administrative expenses of around HK\$30.0 million as a result of the increased provision for doubtful debt on the aggregate amount due from two customers of the Group, namely Coldwater Creek and Mexx Group. Further information on the amount due from the two customers is set forth in the announcements of the Company dated 9 June 2014 and 8 December 2014;
- (2) impairment loss for the goodwill arising from the acquisition of Interfield Industrial Limited in the amount of HK\$30.0 million; and
- (3) share of the operating loss of Hangzhou China Ting Property Development Company Limited (“**Hangzhou China Ting Property**”), an associate of the Company, of not more than HK\$240.0 million. The Directors have been constantly reviewing the residential property market condition in Hangzhou preparing for the launch of the residential property project by Hangzhou China Ting Property. When the Company prepared its interim results for the six months ended 30 June 2014, the Directors assessed the then prevailing residential property market condition and expected that the residential property market in Hangzhou would be stabilised with the relaxation of the residential property purchase restrictions towards the end of July 2014. However, in spite of the policy change, there has been no significant increase in the level of demand for residential property. A number of property developers in Hangzhou also launch their residential property projects in the third quarter of 2014 with aggressive pricing strategies, which has resulted in an increasing supply of residential property units and greater pressure on the selling prices. Based on an independent valuation of the unsold residential property units of Hangzhou China Ting Property, it is expected that Hangzhou China Ting Property would incur a substantial amount of loss before tax in 2014. The amount expected to be charged to the income statement of the Group represents the share of the loss before tax based on the equity holding percentage of the Group in Hangzhou China Ting Property.

The Directors also refer to the announcement of the Company dated 10 December 2014 regarding the latest status of the two entrusted loan transactions. The borrowers under the two entrusted loan transactions have provided collateral for the outstanding amount due, and the Directors are in the process of determining whether a provision for doubtful debt should be made. If a provision is required to be made for prudent purpose, the expected loss before tax of the Group for the year ending 31 December 2014 would increase.

The Company will finalise the consolidated final results of the Group for the year ending 31 December 2014. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to them. The audited consolidated final results of the Group may be subject to adjustments following further review by the Board, discussions with the auditors of the Company and completion of the required auditing procedures. The information in this announcement has not been reviewed by the auditors of the Company or the audit committee of the Board.

The Directors expect that the announcement of the audited consolidated results of the Group for the year ending 31 December 2014 will be published in March 2015 in compliance with the requirements under the Listing Rules.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 December 2014

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 RMB and HK\$ 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.