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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)

UPDATED INFORMATION ON THE PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2014

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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The Board refers to the announcement (the “**Profit Warning Announcement**”) of the Company dated 15 December 2014. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement.

In the Profit Warning Announcement, the Directors expected that the loss before tax of the Group for the year ended 31 December 2014 would not be more than HK\$193.0 million. Based on the latest information available to the Group, the Directors confirm that the loss before the tax of the Group for the year ended 31 December 2014 will increase from HK\$193.0 million to HK\$246.9 million. The increase in the loss before tax of the Group in 2014 by HK\$53.9 million is primarily due to the following additional factors:-

- (1) Re-classification of the Group’s equity investment in Zhejiang Haoran Property Company Limited (浙江浩然置業有限公司) (“**Zhejiang Haoran**”) as a result of the fact that the Group’s representatives have been removed as directors of Zhejiang Haoran since July 2014. The removal decision was unilaterally approved by a majority of the equity holders of Zhejiang Haoran. The Group was first aware of the accounting implications of such removal around the middle of March 2015 in preparing the final results of the Group for the year ended 31 December 2014. The equity investment was previously recorded under the equity method as the Group’s investment in an associate. Following the removal of the Group’s representatives as directors of Zhejiang Haoran, the Group’s equity investment in Zhejiang Haoran is currently treated as available-for-sale financial assets which is stated at fair value. As a corollary, an impairment amount of HK\$83.5 million is charged to the profit and loss of the Group for the year ended 31 December 2014 representing the difference between the investment cost and the fair value of the equity investment upon the change in classification of the investment.

The recognition of the impairment on the carrying amount of the available-for-sale financial assets is non-cash in nature. It is expected that this recognition of the impairment would not have any material impact on the cash flow or operation of the Group.

- (2) In addition, the appraised value of the collaterals for the two entrusted loans referred to in the Profit Warning Announcement was less than the aggregate amount due from the debtors under the two entrusted loans. As a result, the Group would need to make provision for bad and doubtful debt for HK\$17.7 million in respect of the total amount due under the two entrusted loans of RMB160.0 million (equivalent to HK\$199.9 million) as of the date of this announcement.
- (3) Increase in the estimated amount of operating profit for the two months ended 31 December 2014 as a result of the decreased amount for the provision of slow-moving inventories and the better-than-expected performance for the two months.

As set forth in the announcement of the Company dated 13 March 2015, a meeting of the Board will be held on 26 March 2015 for the approval of the audited consolidated results of the Group for the year ended 31 December 2014. The Directors do not expect any change to the date of the meeting of the Board and would issue the results announcement of the Group for the year ended 31 December 2014 immediately after the meeting of the Board in compliance with the requirements of 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, 25 March 2015

Unless the context requires otherwise, translations of RMB into HK\$ in this announcement are based on the rate of HK\$1.0 = RMB0.8006. 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 nonexecutive Directors are Dr. CHENG Chi Pang, Mr. WONG Chi Keung and Mr. LEUNG Man Kit.