

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

EXPROPRIATION OF LAND AND BUILDINGS

The Board would like to inform the Shareholders and the prospective investors of the Company that part of the land and industrial buildings within the China Ting Industrial Complex have been disposed of to Donghu Sub-District Office for urban development in Yuhang District, Hangzhou, the PRC. As of the date of this announcement, the China Ting Group Members have received an amount of RMB159.3 million out of the total amount of compensation of RMB398.3 million which is expected to be collected in full during the first half of 2021.

This announcement is made by the Board pursuant to Rule 13.09(2) of 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 would like to inform the Shareholders and the prospective investors of the Company that part of the land and industrial buildings within the China Ting Industrial Complex have been disposed of to Donghu Sub-District Office for urban development in Yuhang District, Hangzhou, the PRC.

SUMMARY OF THE PRINCIPAL TERMS OF THE EXPROPRIATION AND COMPENSATION AGREEMENTS

The China Ting Group Members have entered into eight Expropriation and Compensation Agreements of the following terms and conditions:

Date: 24 December 2020.

Parties: (a) Donghu Sub-District Office, being part of the administrative departments of The People's Government of Yuhang District, Hangzhou, the PRC; and

(b) China Ting Group Members.

Land and properties: Eight parcels of land with a total site area of 48,353.2 sq.m. and located at No.56-1, 56-2, 56-3, 56-4, 56-5 and 56-12, Beisha East Road, Donghu Sub-district, Yuhang District, Hangzhou, together with the industrial buildings erected thereon with a total gross floor area of 77,917.3 sq.m. The land and industrial buildings form part of the China Ting Industrial Complex.

Compensation: The total compensation is RMB398.3 million and will be payable in three instalments as follows:

(a) 40% of the compensation to be payable within 20 business days in the PRC from the date of the Expropriation and Compensation Agreements;

(b) 40% of the compensation to be payable within 20 business days in the PRC following the vacant possession of the subject land and industrial buildings by Donghu Sub-District Office; and

(c) 20% of the compensation to be payable within 20 business days in the PRC upon completion of the ownership transfer of the land and industrial buildings.

The amount of compensation has been negotiated between the China Ting Group Members and Donghu Sub-District Office on an arm's length basis upon normal commercial terms with reference to a valuation report prepared by an independent third party. As of the date of this announcement, the China Ting Group Members have received compensation of RMB159.3 million and the remaining balance of the compensation is expected to be collected during the first half of 2021.

REASONS FOR THE EXPROPRIATION AND IMPACT ON THE PRODUCTION ACTIVITIES OF THE GROUP

Donghu Sub-district Office is an administrative department of The People's Government of Yuhang District, Hangzhou, the PRC and is vested with the responsibility for the coordination of the construction of the Donghu Highway Phase II Project (東湖高架路二期項目). The Directors understand that the Donghu Highway Phase II Project is one of the key infrastructure projects in Zhejiang Province, the PRC initiated in 2020. The expropriation of the land and industrial buildings is made pursuant to The Regulations on Expropriation and Compensation for Premises on State-owned Land (《國有土地上房屋徵收與補償條例》).

The site area and the gross floor area of the land and the industrial buildings disposed of under the Expropriation and Compensation Agreements are 48,353.2 sq.m. and 77,917.3 sq.m., respectively, representing 9.8% of the total site area and 15.6% of the total gross floor area of the China Ting Industrial Complex before the expropriation. Following the expropriation, the China Ting Industrial Complex will occupy land of a total site area of 445,107.0 sq.m. and the industrial buildings erected thereon has a total gross floor area of 422,292.55 sq.m. On this basis and the fact that the relevant production activities have been relocated to other industrial buildings within the China Ting Production Complex, the Directors do not consider that the expropriation has any material impact on the production activities of the Group as a whole.

FINANCIAL IMPACT OF THE EXPROPRIATION

As of 31 December 2020, the unaudited net book value of the land and industrial buildings disposed of per management account was RMB26.7 million. Based on the compensation amount of RMB398.3 million, the Directors expect that the Group will record a gain on disposal of the land and industrial buildings for the year ended 31 December 2020. The Group would issue a separate announcement on the preliminary results of the Group for the year ended 31 December 2020 as and when appropriate in full compliance with the requirements under the Listing Rules.

DEFINITIONS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:

“Board” the board of Directors;

“China Ting Group Members”	the relevant members of the Group which have entered into the respective Expropriation and Compensation Agreements, being Zhejiang Concept Creator Fashion Company Limited, Zhejiang Fucheng Fashion Company Limited, Hangzhou Huaxing Silk Printing Company Limited, Finity International Fashion Company Limited, Zhejiang Xinan Fashion Company Limited and Zhejiang China Ting Textile Technology Company Limited, all of which are companies established in the PRC and wholly-owned subsidiaries of the Company;
“China Ting Industrial Complex”	the headquarters and industrial complex established by the Group in Yuhang District, Hangzhou, the PRC which has a total site area of 445,107.0 sq.m. and a total gross floor area of 422,292.55 sq.m.;
“Company”	China Ting Group Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 03398);
“Director(s)”	director(s) of the Company;
“Donghu Sub-District Office”	杭州市餘杭區人民政府東湖街道辦事處 (Donghu Sub-district Office of the People’s Government of Yuhang District, Hangzhou), one of the administrative departments of The People’s Government of Yuhang District, Hangzhou, the PRC;
“Expropriation and Compensation Agreements”	collectively refers to the eight agreements entered into on 24 December 2020 on the expropriation of the land and industrial buildings within the China Ting Industrial Complex;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the StockExchange of Hong Kong Limited;
“PRC”	The People’s Republic of China which for the purpose of this announcement, does not include Hong Kong, Taiwan, and The Macau Administrative Region of the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	the share(s) of HK\$0.10 each in the share capital of the Company;

“Shareholder(s)” the holders of the Shares;
“Stock Exchange” The Stock Exchange of Hong Kong Limited; and
“sq.m.” square metres.

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

Hong Kong, 15 January 2021

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