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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)

PROFIT WARNING FOR THE SIX MONTHS ENDED 30 JUNE 2020

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).

Following the review of the preliminary information available to the Board, which includes, but without limitation to, the unaudited management accounts of the Group for the six months ended 30 June 2020 (the “**2020-1H**”), the Board wishes to inform the shareholders (the “**Shareholders**”) of the Company and prospective investors of the Company that the Group experienced a significant decrease in the amount of revenue for the 2020-1H by approximately 25.0%, as compared to the amount of revenue of the Group of HK\$980.9 million for the six months ended 30 June 2019. As a result of the outbreak of COVID-19, during the 2020-1H, the global lockdown has led to economic recession in a number of the leading economies worldwide. A significant number of purchase orders from the customers of the Group worldwide has been cancelled or the delivery of which has been requested for delay. Some of our customers are also in bankruptcy or analogous proceedings. In addition to the revenue decrease, the gross profit margin of the Group during the 2020-1H decreased due to the revenue decrease and the temporary production suspension of certain production plants of the Group in China during the period. The Group would also need to make provisions for doubtful

debts for trade receivables due from certain customers in anticipation of increasing credit risks of the underlying customers as most of them are engaged in retail business in the US and Europe.

During the 2020-1H, the Group has reached a settlement agreement with Zhejiang Haoran Property Company Limited (“**Zhejiang Haoran**”) in relation to the then ongoing legal proceedings and an amount of HK\$193.3 million has been recorded as other gains of the Group. The Directors expect that the Group would receive this amount in full by the end of 2020.

Without taking into consideration the amount that may be received by the Group from Zhejiang Haoran, the Group would incur operating loss of over HK\$165.0 million for 2020-1H (2019: (HK\$17.4 million)). As such, it is expected that the Group would have net profit for the 2020-1H of less than HK\$20.0 million after taking into consideration the amount to be received from Zhejiang Haoran.

The Company is still in the process of finalising the interim results of the Group for the 2020-1H. The information disclosed in this announcement represents a preliminary assessment by the Board based on the information currently available to it, which has yet to be reviewed by the audit committee of the Board or audited by the auditor of the Company. Hence, the actual results for the 2020-1H may be different from the information disclosed herein. The Board expects that the announcement of the interim results for the 2020-1H will be published before the end of August 2020 in full 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
Executive Director and Chief Executive Officer

Hong Kong, 21 August 2020

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.