CHINA TING GROUP HOLDINGS LTD: THE TING FAMILY SHOWS TO WAY TO SMOOTH PROFITS' GROWTH

Despite the US Government's clamp-down on imports of garments, originating from the People's Republic of China (PRC), following on from the European Union's similar action in 2005, China Ting Group Holdings Ltd () (Code: 3398, Main Board, The Stock Exchange of Hongkong Ltd) appears to be almost immune from such sanctions.

At least, for the time being, that is.

This is because silk apparel, produced in the PRC, proper, as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC, is, at this time, subject to only limited trade restrictions, especially in respect of the US Government, which is the main market for China Ting Group.

China Ting Group is, according to the Company's Global Offering Prospectus, dated November 30, 2005, *'one of the largest exporters and manufacturers of silk apparel in China …'*.

This Company is somewhat of a success story and, by the looks of the support that it received from investors at its **I**nitial **P**ublic **O**ffering (IPO), clearly, the investing public takes that view.

The one, major drawback of China Ting Group, however, is that, in the past, the Ting Family, which controls 72.15 percent of the Issued and Fully Paid-Up Share Capital, has been using the Company as the Family's little private bank.

Hopefully, as a publicly listed company, this will cease, forthwith, and the Ting Family will differentiate between a privately held company and a publicly listed corporation.

The Float

On November 30, 2005, China Ting Group Offered a total of 500 million, 10-cent Shares at a Premium of $HK1.925 per Share.

In addition, BNP Paribas Peregrine Capital Ltd, the International Placing Underwriter, Global Coordinator, Sponsor, Bookrunner and Lead Manager of the IPO, was Offered an Over-Allotment Option of 75 million Shares.

BNP Paribas Peregrine Capital Ltd took up the Over-Allotment Option in full on January 4, 2006.

The Global Offering was, eventually, broken up into 200 million Shares, being the tranche, reserved for Hongkong investors, and 300 million Shares, being the International Placing tranche.

The HKSAR investing public subscribed for a total of 4,933,910,000 Shares, being about 98.70 times the original, Hongkong Offered tranche of 50 million Shares.

Hence, the clawback provision, contained in the Prospectus, had to be exercised and the original International Placing tranche of 450 million Shares was cut back to 300 million Shares.

The International Placing tranche was described by the Company on December 14, 2005, as having been *'significantly over-subscribed'*.

After all of the applications for shares in China Ting Group had been vetted and after all of the cheques had been cleared by various banks, the Company found itself, sitting on a treasure chest, containing a little more than $HK1.085 billion.

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