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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)

CONTINUING CONNECTED TRANSACTION

The Board announces that the continuing connected transactions under the Renewed Contract are expected to continue following the expiration of the Renewed Contract on 31 December 2010. The Group has therefore entered into the New Contract, on normal commercial terms, on 21 December 2010 on the same terms and conditions as those contained in the Renewed Contract. Further information on the Renewed Contract is set forth in the announcement published by the Company on 24 July 2008.

The annual consideration under the New Contract is expected to be result in the applicable percentage ratios being less than 5% in accordance with Chapter 14 of the Listing Rules. The New Contract is therefore subject to the reporting and announcement requirements set forth in Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval requirements. The Company will also be subject to Rules 14A.37 to 14A.40 of the Listing Rules in respect of annual review requirements.

The Directors, including the independent non-executive Directors, confirm that the terms of the New Contract, the New Contract and the annual caps are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

The Board announces that the continuing connected transactions under the Renewed Contract are expected to continue following the expiration of the Renewed Contract on 31 December 2010. The Group has therefore entered into the New Contract, on normal commercial terms, on 21 December 2010 on the same terms and conditions as those contained in the Renewed Contract. Further information on the Renewed Contract is set forth in the announcement published by the Company on 24 July 2008.

The terms of the New Contract are the same as those set forth in the Renewed Contract. The annual cap for each of the three years ending 31 December 2013 is revised as follows:

	Renewed Contract			New Contract		
	Annual caps for the			Annual caps for the		
	year ended 31 December			year ended 31 December		
	<i>(HK\$million)</i>			<i>(HK\$million)</i>		
	2008	2009	2010	2011	2012	2013
Purchase of plastic bags and hangers from Huasheng Accessories	15.9	17.6	19.3	17.5	18.6	21.0

The annual caps for the three years ending 31 December 2013 stated above are based on the amounts purchased from Huasheng Accessories during the two years ended 31 December 2009 and from January to November 2010 of approximately RMB8.6 million, RMB6.6 million and RMB6.7 million, respectively. The Directors anticipate that the amount of purchase of plastic bags and hangers from Huasheng Accessories for the three years ending 31 December 2013 will increase with the business growth of the Group. The annual caps during the three years ended 31 December 2010 under the Renewed Contract were not exceeded.

REASONS FOR AND BENEFITS OF THE NEW CONTRACT

The New Contract is a continuation of the Renewed Contract for the purpose of purchase and supply of garment accessories including plastic bags and hangers by members of the Group from Huasheng Accessories. Further information on the original contract between the Group and Huasheng Accessories is disclosed in the prospectus of the Company dated 30 November 2005. As the Group and Huasheng Accessories have had a long term business relationship and that the terms of the Renewed Contract and the New Contract are the same, save for the annual caps as stated above, the Directors (including the independent non-executive Directors), consider that the terms of the New Contract, the New Contract and the annual caps for the three years ending 31 December 2013 are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Huasheng Accessories is owned as to 75% by Ms. ZHOU Shi Min and 25% by Hong Kong Fuhowe. Ms. ZHOU is the spouse of Mr. DING Jianer, an executive Director and thus, is a connected person as defined under Chapter 14A of the Listing Rules. Therefore, Huasheng Accessories is an associate of a connected person of the Company as defined under Chapter 14A of the Listing Rules.

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As at the date of this announcement, Mr. DING Jianer holds in aggregate 71.1% of the total issued share capital of the Company and is also an executive Director of the Company. As Ms. ZHOU is the spouse of Mr. DING Jianer and the shareholder of 75% of Huasheng Accessories, Mr. DING Jianer has a material interest in the New Contract. Accordingly he has abstained from attending the board meeting and/or voting on the board resolution to approve the New Contract.

GENERAL INFORMATION ON THE PARTIES

The Company is an investment holding company with all of its shares listed on the Stock Exchange, and the Group is principally engaged in the silk and cotton garment manufacturing and export business and fashion retail business in the PRC.

Huasheng Accessories is a company established in the PRC with limited liability and engaged in the manufacturing of plastic bags, clothes hangers and other garment accessories in the PRC.

DEFINITIONS

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

“Board”	the board of Directors;
“China” or “PRC”	The People’s Republic of China which excludes, for the purpose of this announcement, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;
“Company”	China Ting Group Holdings Limited 華鼎集團控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability with its Shares being listed on the Main Board of the Stock Exchange;
“connected person”	as such term is defined under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong Fuhowe”	Hong Kong Fuhowe Fashion Company Limited (香港富豪時裝有限公司), a company incorporated in Hong Kong with limited liability on 24 October 1996, and a wholly-owned subsidiary of the Company;
“Huasheng Accessories”	杭州華盛輔料有限公司 (Hangzhou Huasheng Accessories Company Limited*), a company established in the PRC with limited liability on 23 July 2003, and a connected person of the Company;
“Listing Rules”	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;

* For identification purpose only

“New Contract”	the new supply contract dated 21 December 2010 between members of the Group and Huasheng Accessories;
“Renewed Contract”	the supply contract dated 24 July 2008 between members of the Group and Huasheng Accessories;
“Shareholders”	holders of the Shares;
“Shares”	shares of HK\$0.1 each in the share capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
TING HUNG YI
Executive Director and Chief Executive Officer

Hong Kong, 21 December 2010

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