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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)

CLARIFICATION ANNOUNCEMENT RELATING TO A CONTINUING CONNECTED TRANSACTION

We refer to the Announcement. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Announcement.

This announcement is issued for the purpose of providing investors with further information on the New Contract.

INTRODUCTION

We refer to the announcement (the “**Announcement**”) of China Ting Group Holdings Limited (the “**Company**”) dated 21 December 2010. Unless the context requires otherwise, the capitalised terms used herein shall have the same meaning as those defined in the Announcement.

As stated in the Announcement, the Group entered into the New Contract with Huasheng Accessories on 21 December 2010 on the same terms and conditions as those contained in the Renewed Contract. This announcement is issued for the purpose of providing investors with further information on the New Contract.

TERMS AND CONDITIONS OF THE NEW CONTRACT

The terms and conditions of the New Contract are identical to those of the Renewed Contract (except for the time period covered by these two contracts). The following sets forth a summary of the principal terms and conditions of the New Contract.

Date: 21 December 2010

Parties: (1) Members of the Group as follows:

- (i) Hangzhou Fuding Fashion Company Limited;
- (ii) Zhejiang China Ting Textile Technology Company Limited;
- (iii) Zhejiang China Ting Knitwear Company Limited;
- (iv) Hangzhou China Ting Fashion Company Limited;
- (v) China Ting (Hangzhou) Textile Technology Company Limited;
- (vi) Zhejiang Huali Fashion Company Limited;
- (vii) Zhejiang Concept Creator Fashion Company Limited;
- (viii) Zhejiang Fucheng Fashion Company Limited;
- (ix) Zhejiang China Ting Brand Management Company Limited;
- (x) Zhejiang Fuhowe Fashion Company Limited;
- (xi) Finity International Fashion Company Limited;
- (xii) Zhejiang Xinan Fashion Company Limited;
- (xiii) Diny (Hangzhou) Fashion Company Limited;
- (xiv) Hangzhou China Ting Tailored Fashion Company Limited;
- (xv) China Ting Pietraluna (Hangzhou) Wool Textile Dyeing & Finishing Company Limited;
- (xvi) Finity Fashion (Shenzhen) Company Limited;
- (xvii) Shenzhen Fuhowe Fashion Company Limited;
- (xviii) Zhejiang China Ting Jincheng Silk Company Limited;
- (xix) Hangzhou Huaxing Silk Printing Company Limited; and
- (xx) Zhejiang Huayue Silk Products Company Limited.

(2) Huasheng Accessories, a connected person (as such term is defined under the Listing Rules) of the Company by virtue of its 75% equity interest being held by Ms. ZHOU Shi Min, the spouse of Mr. DING Jianer, an executive Director.

Terms of the supply and purchase of garment accessories: (a) Huasheng Accessories agrees to supply and the Group agrees to purchase, garment accessories manufactured by Huasheng Accessories subject to the terms of the New Contract and subsequent detailed commercial agreements between the parties. The detailed subsequent commercial agreements shall include the specifications including quantity, type and price of goods to be supplied and purchased.

(b) Huasheng Accessories agrees that:

(i) the price of the products provided under the New Contract shall not be higher than such prices offered to independent third parties at the same time taking into consideration the prevailing market rates for providing similar products;

- (ii) all members of the Group shall have priority over other purchasers (which are independent third parties) in respect of the products to be provided to members of the Group; and
 - (iii) the delivery time and the transportation of the products shall be in accordance with the relevant commercial agreements between the parties.
- (c) Inspection of the products supplied by Huasheng Accessories shall be conducted by the relevant members of the Group and any issue arising from such inspection (e.g. quality issue) must be communicated to Huasheng Accessories within 15 days from the date of delivery, failing which Huasheng Accessories shall not be liable for such products.
- (d) Either party shall not terminate or amend the contractual terms under the detailed commercial agreements without first serving 15 days' written notice to the other party and agreement is reached on such termination.

Payment terms: Upon satisfactory inspection of the products, the Group shall make payment by way of cheque.

Duration: The term of the New contract is for three years commencing from 1 January 2011 to 31 December 2013.

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

Hong Kong, 23 December 2010

As of 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.