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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)

UPDATE ON CONTINUING CONNECTED TRANSACTIONS FACTORY LEASE AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of China Ting Group Holdings Limited (the “**Company**”) refers to the announcement (the “**Announcement**”) of the Company dated 1 June 2017 in relation to, *inter alia*, the Factory Lease Agreement (as defined in the Announcement). Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to announce that the parties to the Factory Lease Agreement have entered into a supplemental agreement (the “**Supplemental Agreement**”) for the purpose of reducing the area of the leased property under the Factory Lease Agreement. The following sets forth a summary of the principal terms and conditions of the Supplemental Agreement:

THE SUPPLEMENTAL AGREEMENT

Date: 29 March 2018

Parties: Huabeina as the lessor; and
Dingyuan as the lessee

The following is a summary of the Supplemental Agreement:

- (a) Pursuant to the Factory Lease Agreement, Huabeina will lease part of the factory premises with a total gross area of 22,184 sq.m. located at 191 Xin Tian Lu, National Economic and Technological Development Zone, Yuhang District, Hangzhou, the PRC to Dingyuan.

It is agreed in the Supplemental Agreement that Dingyuan will pay for the actual gross area that is provided by Huabeina. The actual gross area of the factory premises to be used by Dingyuan is expected to be 11,384 sq.m. from 1 April 2018.

- (b) Pursuant to the Factory Lease Agreement, the annual rental payment is fixed at RMB2,662,080 (equivalent to HK\$3.1 million) which has been determined on an arm length basis upon normal commercial terms with reference to the prevailing market rates of comparable properties in the area.

It is agreed by the parties in the Supplemental Agreement that the annual rental payment will be determined by the actual gross area provided by Huabeina to Dingyuan with rental payment per sq.m. remains unchanged.

Save as disclosed above, all other terms and conditions of the Factory Lease Agreement remain unchanged and in full force and effect in all respects.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Following a review of the anticipated business needs of the Group during the original term of the Factory Lease Agreement, the Directors believe that the Group will not use the entire area of the lease property under the Factory Lease Agreement. Hence, following arm's length negotiations, the parties to the Factory Lease Agreement agree to enter into the Supplemental Agreement for the purpose of reducing the amount of annual rental payment payable by Dingyuan which will be determined with reference to the actual gross area used by Dingyuan with the rental per sq.m. remains unchanged. The Directors believe that this update is beneficial to the Group as Dingyuan would not need to pay excessive rental on the unused lease area. Huabeina may also use the unusual area for its own production requirements.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (under Chapter 14 of the Listing Rules) represented by the aggregated amount of the rental and lease income under the Factory Lease Agreement (as updated by the Supplemental Agreement) is still less than five per cent., the transactions contemplated thereunder constitute continuing connected transactions for the Company which are exempt from the independent Shareholders' approval but subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing Rules.

By order of the Board

TING HUNG YI

Executive Director and Chief Executive Officer

Hong Kong, 29 March 2018

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