

[For Immediate Release]



CHINA TING GROUP HOLDINGS LIMITED
華鼎集團控股有限公司

**China Ting Group's Net Profit for 2006 Increases 7.2% to HK\$409 million
OEM and Retail Business Performed Well in Second Half Year
With Accelerating Growth Momentum**

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**Committed to Enriching Business Portfolio
Maintains Dual Emphasis on Branded Fashion Retailing & OEM Business**

Results Highlights:

- Growth momentum accelerated in the second half of 2006 with turnover and net profit increased by 14.1% and 33.3% respectively as compared with the same period of 2005
- Expanded customer base and product types boosted the annual revenue of OEM business, non-silk OEM business especially recorded a substantial year on year increase in revenue
- Brand retail business improved efficiency, full year revenue of the business jumped 13.8%
- Revenue from home textile business surged 226% to HK\$82 million
- New plant of annual production capacity of 2,000,000 pieces commenced operation, quickly boosted the Group productivity and economies of scale

<i>HK' million</i>	2006	2005	Changes
Revenue	1,920	1,895	+1.3%
Gross profit (Gross profit margin)	670(34.9%)	693(36.6%)	-3.2%
Net profit (Net profit margin)	409(21.3%)	381(20.1%)	+7.2%
Basic earning per share (HK cent)	19.79	25.15	N/A

(Hong Kong, 29 March 2007) — China Ting Group Holdings Limited (“China Ting Group” or “the Group”) (stock code: 3398), a large scale vertically integrated garment manufacturer, exporter and retailer, yesterday announced its annual results for the year ended 31 December 2006.

Although the prices of raw silk increased during the first half of the year under review, such increase did not materially affect the results of the Group as a whole. This is because of two reasons: first, the Group had implemented a good control over the procurement of raw materials; and second, the contribution from non-silk OEM business and brand retail business accelerated during the year. The Group reported turnover of HK1,920 million for the year, an increase of 1.3% against the previous year. Improving the operational efficiency in the increase of the Group's net profit of 7.2% year on year to HK\$409 million. Basic earnings per share is 19.79 HK cents. In view of the encouraging results, the Board of Directors proposed the payment of a final dividend of 4.4 HK cents per share and a special dividend of 2.6 HK cents per share.

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Mr. Ting Hung Yi, Chief Executive Officer of China Ting Group, said, "We are pleased to see the growth rate in the second half year to give us great results for the full year. The year 2006 marked an important milestone for the Group. The Company has been included as a constituent stock of both the Hang Seng Composite Index Series and the Hang Seng Freefloat Index Series. Apart from recognizing our efforts to run a viable business and deliver outstanding results, the honors have enhanced the Group's reputation and standing in the capital market as well as in the textile and garment industry."

The Group mainly operates OEM business and brand retail business. In 2006, it continued to increase the proportion of brand retail business in the Group's total turnover.

Turnover of the OEM business amounted to HK\$1,723 million in 2006, with a slight increase when compared with 2005. The flat growth was mainly attributable to the increase in raw silk price in the first half of the year, which caused customers to defer ordering. However, in the second half of the year, orders for OEM increased notably. The performance of non-silk OEM business was much stronger in 2006 than 2005, with turnover recording double-digit growth. The Group actively expanded its customer base and increased export to Europe during the year. Income from export to Europe and other markets accounted for 14% of the total income of OEM business (2005:10%).

To enhance the competitiveness of the Group's OEM business and cater for new orders, the Group has started the construction of a production plant nearby the existing China Ting Industrial Complex in Hangzhou. This new plant is expected to commence its operations by early 2008. By then, the Group will be able to put out an additional four million pieces a year. To improve its operational efficiency, the Group will continue to improve its production plants by equipping them with advance automatic production lines. Moreover, to reinforce its competitive strength in the industry, the Group is planning to expand its ODM services and its product offerings. The Group also plans to set up its own wool fabric production lines.

As for the brand retail business, the aggregate turnover has reached HK\$197 million, 13.8% more than last year's. Given a consistent economic growth in Mainland and the Group's extensive sales network spreading at the well-known department stores, the Directors intend to boost up the retail business in 2007. The Group will strengthen the image of various in-house brands through a number of programmes including opening of flagship shops, the recruitment of European designers, upgrading the image of shops, the increase in marketing, advertising and promotional activities, etc. The Group intends to expand its network of retail sale shops to a total of 455 shops by the end of 2007. In addition, the Group has formed a joint venture with a leading UK jeans brand Lee Cooper to set up 120 sales points in China over a period of three years targeting young customers. The Group will continue to look for opportunities to cooperate with internationally renowned fashion brands.

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Mr. Ting concluded, "Looking forward, we have high hope for our businesses. China Ting Group will continue to diversify its product offerings in OEM business and to aggressively grow its fashion retail business. By effectively tapping the OEM business and brand retailing markets, the Group can expect to see its business growing in good pace and to maximize the returns for its shareholders."

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About China Ting Group Holdings Limited.

China Ting Group Holdings Limited (Stock Code: 3398) is a company listed on the main board of The Stock Exchange of Hong Kong Limited. China Ting Group is one of the top 200 listed companies in Hong Kong in terms of full market capitalization, and its stock has been included as a constituent stock of both the Hang Seng Composite Index Series and the Hang Seng Freefloat Index Series since November 2006.

China Ting Group is a vertically integrated fashion manufacturer, exporter and retailer in China with a consolidated annual turnover of around USD250 million. With offices and production facilities in Hong Kong, Hangzhou, Shanghai, Shenzhen, New York and Paris, China Ting Group's retail business comprises over 360 retail shops in 27 provinces/cities in China. China Ting Group has an established industry complex in Hangzhou with 500-acre and 13 modern factory buildings. For more information, please access www.chinating.com.hk.

For press enquiries:

Strategic Financial Relations (China) Limited

Ms Anita Cheung	Tel: (852) 2864 4827	anita.cheung@sprg.com.hk
Ms Olive To	Tel: (852) 2864 4894	olive.to@sprg.com.hk
Ms Karen Hung	Tel: (852) 2864 4854	karen.hung@sprg.com.hk
Ms Esther Wan	Tel: (852) 2114 4969	esther.wan@sprg.com.hk
Ms Karen To	Tel:(852) 2864 4860	karen.to@sprg.com.hk

Fax: 2527 1271