



CHINA TING GROUP

華鼎集團

**China Ting Announces 2005 Annual Results
Net Profit Surges by 97.4% to HK\$381 Million**

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**Maintains Leading Position in Garment OEM Business
Retail Business as the Growth Driver**

Financial Highlights

HK\$ Million	For the year ended 31 Dec		Growth (%)
	2005	2004	
Turnover	1,895	1,401	35.3
Gross Profit	693	434	59.6
Gross Profit Margin (%)	36.6	30.9	5.7%pt
Net Profit	381	193	97.4
Basic EPS (HK cents)	25.15	12.94	94.4
Final Dividend per share (HK cents)	4.6	N/A	N/A

(11 April 2006 – Hong Kong) China Ting Group Holdings Limited (“China Ting” or the “Group”; Stock code: 3398), one of the largest silk apparel manufacturers and exporters and a branded fashion retailer in China, announced today its impressive annual results for the year ended 31 December 2005.

The Group’s turnover rose approximately 35.3% to HK\$1.895 billion. The increase was mainly attributable to the robust growth of the OEM business and fast-growing retail business. The Group further improved its gross margin to approximately 37% (2004: approximately 31%) by leveraging the strengths of its vertically integrated manufacturing base in Hangzhou and Shenzhen. Net profit also recorded an impressive growth of approximately 97.4% and reached approximately HK\$381 million. Basic earnings per share was approximately HK25.15 cents (2004: approximately HK12.94 cents).

In view of the encouraging results, the Board of Directors proposed the payment of a final dividend of HK4.6 cents per share for the year ended 31 December 2005.

Commenting on the satisfactory performance, Mr Ting Hung Yi, CEO of the Group, said, "Year 2005 is a milestone for the Group. Apart from the successful listing on the Main Board of the Stock Exchange of Hong Kong, the Group achieved significant growth in both OEM and retail business. As a fabric innovator with a niche in silk and silk blended apparel, we continued to achieve impressive growth in 2005. Further leveraging on our manufacturing expertise, our fashion retailing business also grew rapidly and is now the Group's second largest revenue stream."

During the year under review, the turnover of OEM business reached approximately HK\$1.7 billion, representing an increase of approximately 38.3% as compared to the previous year and accounting for approximately 91% of the Group's total turnover. The impressive rise in turnover was mainly driven by the continuous increase of OEM business in the USA and Europe. Express, Macy's, Liz Claiborne, Zara, SAKS, May and Jones New York are long-term clients maintaining well-established relationships.

Another strong growth driver of the Group is the retail business in China. Benefited from the rapid growth of the domestic economy, people in China with higher disposable income favour the development of retail business. The turnover of retail operation reached approximately HK\$173 million for the year ended 31 December 2005, representing a year-on-year growth of approximately 10.8%. This is attributable to the extensive and strong retail network with 302 retail outlets in total as at 31 December 2005, comprising 147 concessions and 3 free-standing stores directly operated by the Group and 152 retail outlets operated by franchisees through franchise agreements. All retail outlets were operated under the four in-house brands of "FINITY", "Dbni", "ÉLANIE" and "Riverstone", and one licensed brand of "MAX STUDIO".

Looking forward, the Group will further develop the branded fashion retail market and expand the retail outlet network in the PRC. With the competitive edges of huge production capacity, enhanced techniques of labour, superb fabric development and well established clientele, the Group plans to develop the silk blended apparel market in the coming years. In addition, entering into the agreement with Burlington Industries Inc., the Group obtains the right to manufacture and distribute home textile products in the PRC bearing the BURLINGTON HOUSE trademark.

Commenting on the Group's future development strategy, Mr Ting concluded, "Our Group aims at becoming a leading fabric designer and producer and a leading branded fashion and home textile retailer in China as well. To strengthen the concept of brand building and further expand the retail network, more flagship stores will be opened in the key cities. With the existing competitive advantages, we believe that we would achieve a satisfactory sustainable growth and provide fruitful returns to or shareholders."

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About China Ting

China Ting Group is one of the largest silk apparel manufacturers and exporters in China. Headquartered in Hong Kong and supported by a vertically integrated manufacturing base in Hangzhou, the PRC, the Group is principally engaged the provision of OEM garment manufacture solutions to international brands and chain retailers. Other than its OEM business, the Group has also established a branded fashion apparel retail business in China. The Group's retail business is principally of women's apparel and is conducted under its own brands such as FINITY, ÉLANIE and Dbni and a licensed brand, MAX STUDIO. In addition, the Group has also diversified into the home textile business engaging in the weaving of fabric for home textile products such as bed covers, bed skirts, pillow cases, cushion coves and sofa covers. The Group aims to further diversify into retail sales of home textile products in the PRC.