



CHINA TING GROUP
華鼎集團

2013 Interim Results Corporate Presentation

-August, 2013-





Agenda

- **Business Overview**
- **Financial Highlights**
- **Business Outlook
& Strategies**

- OEM/ODM
- RETAIL



BUSINESS OVERVIEW

Business Overview

- **The US economic recovery remains weak and the economic recession in Europe is to remain through the year at least, the sluggish economy and dismal outlook are the biggest challenge for apparel industry in 2013.**
- **The Group's OEM business has remained relatively stable in the first half of 2013, with satisfactory performance and a growing customer portfolio during the period.**
- **The Group's Retail business is still performing well. Our major in-house brands – Finity and Riverstone – both sustained double-digit growth in revenue for the first half of 2013**



FINANCIAL HIGHLIGHTS

Financial Highlights – Key Figures (1)



For the six months ended 30 June

HK\$ mil	2013	2012	Change
Turnover	1,243.9	1,350.3	- 7.9 %
Gross Profit	379.9	380.6	-0.2 %
Profit attributable to equity holders of the Company	73.3	62.3	17.7 %
Earnings per share (HK dollars)	3.49	2.97	

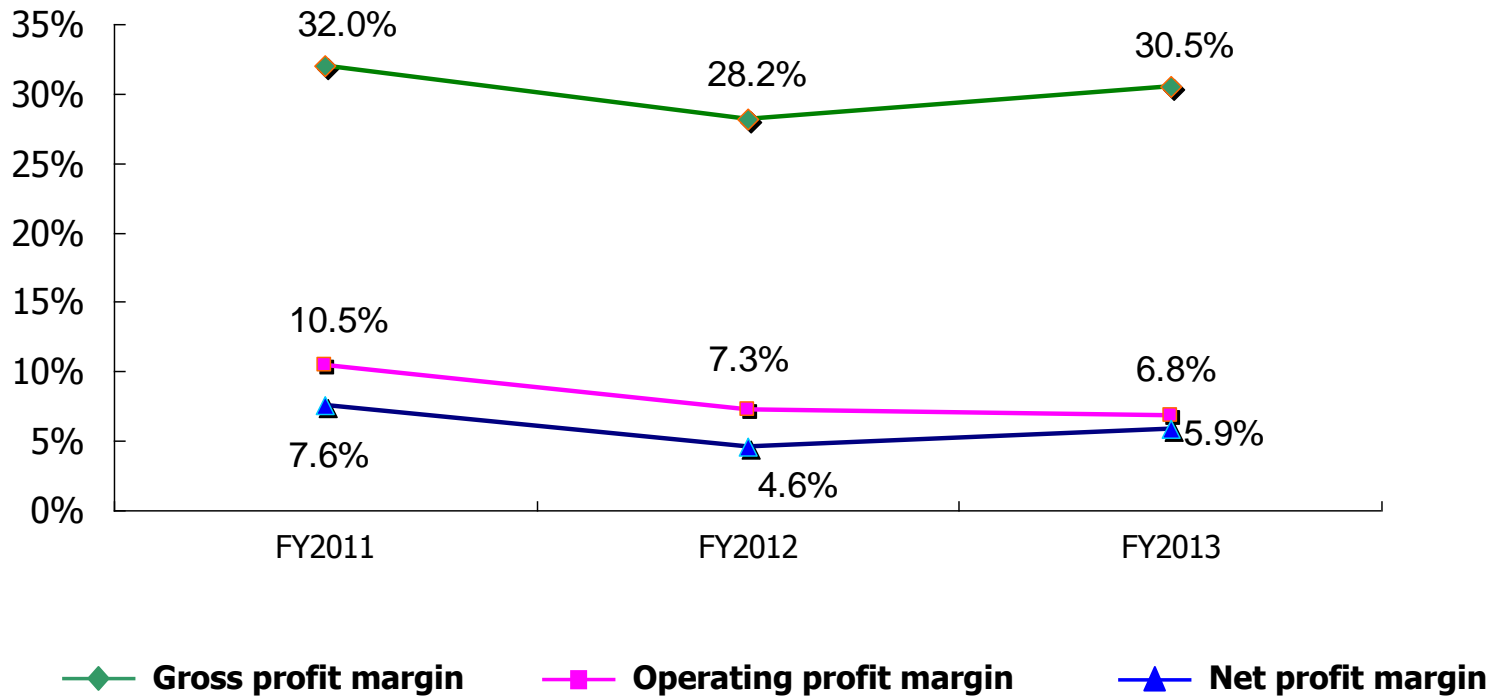
Financial Highlights – Key Figures (2)

	As at 30 Jun 2013	As at 31 Dec 2012
Cash and bank balances (HK\$ 'mil)	259.7	428.7
Current ratio (times)	1.9	2.2
Trade receivable turnover days	63	66
Trade payable turnover days	51	53
Debt to equity (%)	14.8%	10.3%
Equity per shares (HK dollars)	1.37	1.30



Financial Highlights – Margins

For the six months ended 30 June





BUSINESS OUTLOOK

(OEM/ODM)
Design & Manufacturing

Business Outlook – OEM/ODM (1)

Financial Highlights – Segment Profit

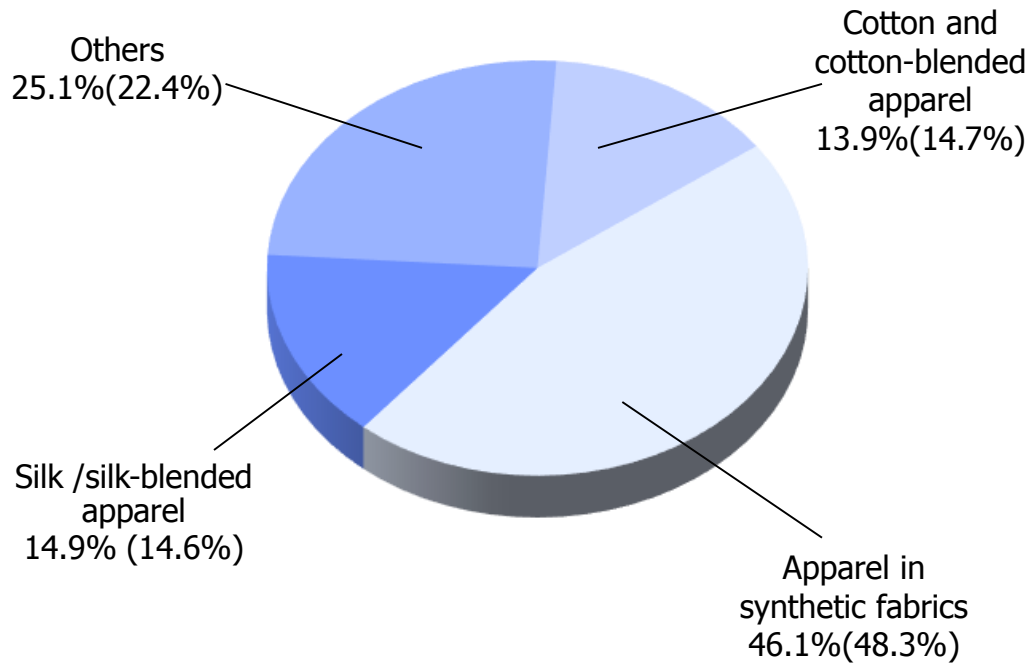


For the six months ended 30 June

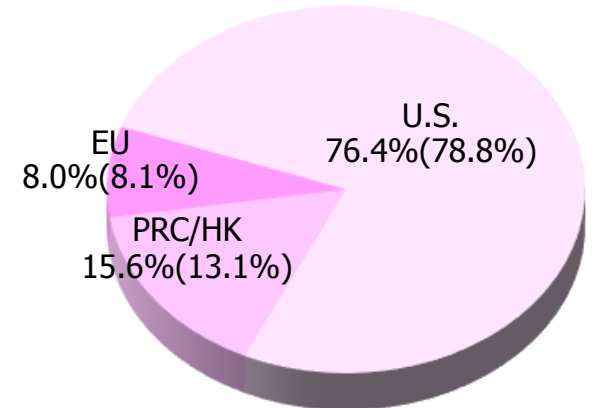
HK\$ mil	2013	2012	Change
Turnover – OEM/ODM	1,008.5	1,127.7	- 10.6 %
Segment Profit – OEM/ODM	77.7	85.1	- 8.7 %
Segment Profit Margin – OEM/ODM	7.7 %	7.5 %	0.2 p.p.

Business Outlook - OEM/ODM (2)

OEM/ODM Sales by Materials



OEM/ODM Sales by Locations



*For the six months ended 30 June 2013
(Comparative figures for FY2012 in brackets)*

Business Outlook - OEM/ODM (3)

OUR PORTFOLIO OF CUSTOMERS

include:

(in alphabetical order)

U.S. MARKET:

Abercrombie & Fitch

Ann Taylor

Bernard Chaus Inc.

Calvin Klein

Dillards

Express

Gap / Banana Republic

Guess

Jones NY

Limited

Macy's

Michael Kors

Ralph Lauren

Victoria's Secret

E.U. MARKETS:

All Saints

Armani

BCBG - A. Manoukian

Betty Barclay

Burtons

Celio

Esprit

French Connection UK

Luisa Spagnoli

Marks & Spencer

Max Mara

Mexx

S. Oliver

Ted Baker

Business Outlook – A Summary

Labour shortage, an overly strong currency and sustained growth-driven inflation are all cutting into China's competitiveness and having negative impact to the profit margin.

More and more competition from factories outside China, which has been a catalyst and important for China to diversify and focus more on high end products, and place more importance on the quality instead of the quantity of products, which we believe is also where our competitive advantage and expertise lie.

The Group will continue to work closely with its OEM/ODM business partners, as well as some new customer portfolios, ensure that the Group's comprehensive vertical production facilities, speed-to-market response, innovation and strong financial repute stand it in good stead to meet essential market demands.



BUSINESS OUTLOOK

(RETAIL)

Business Outlook - Retail (1)

(Store Images)

FINITY



ÉLANIE RIESE



RETAIL
BRANDS
in
CHINA



Calvin Klein
PERFORMANCE



RIVERSTONE

Business Outlook - Retail (2)

Financial Highlights

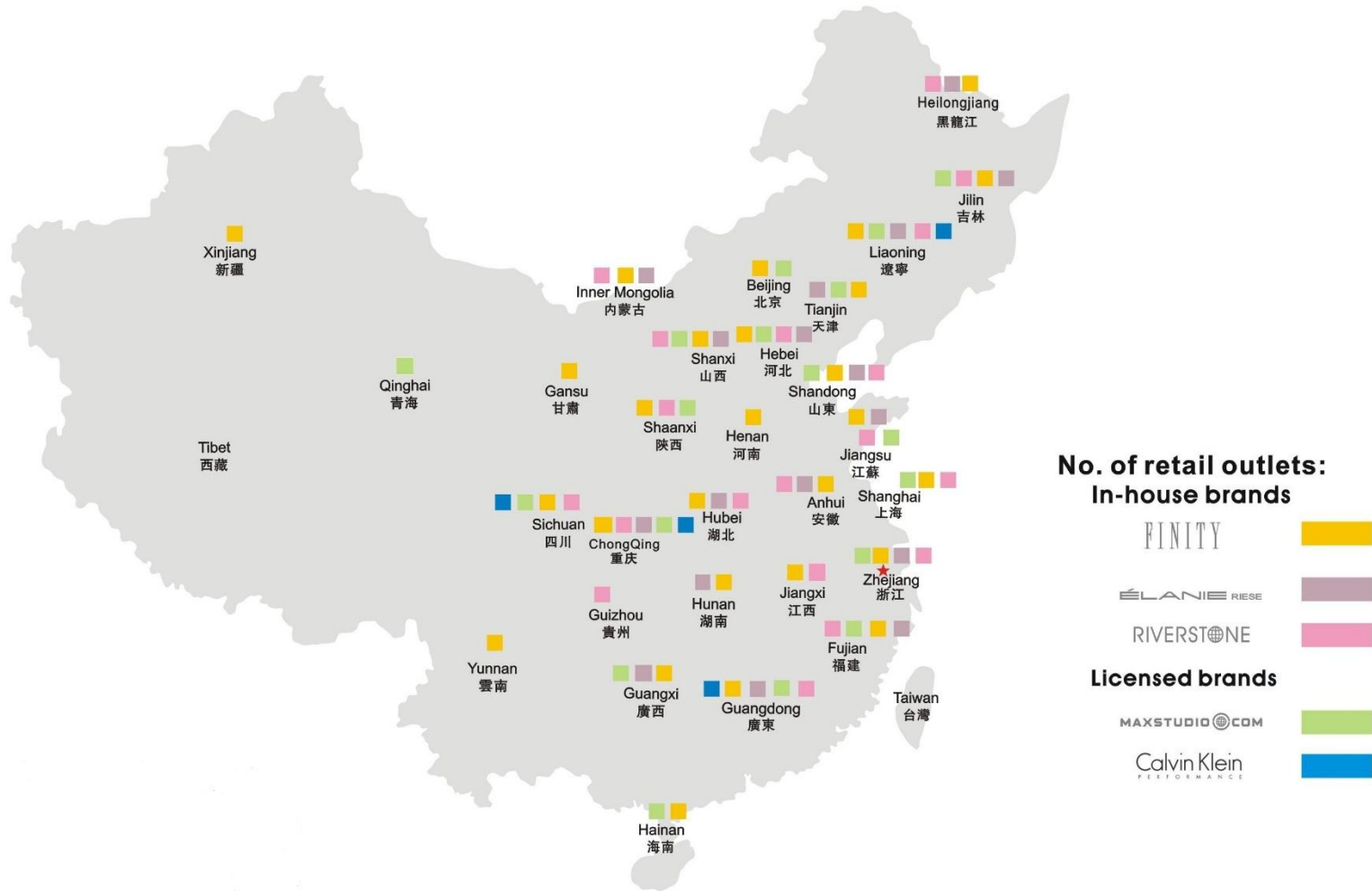


For the six months ended 30 June

HK\$ mil	2013	2012	Change
Turnover – Retail	235.4	222.6	5.8 %
Segment Profit – Retail	11.2	21.5	- 48.0 %
Add: Provision for Inventories	10.4	1.3	
Segment Profit – Retail (Adjusted)	21.6	22.8	- 5.3%
Segment Profit Margin – Retail (Adjusted)	9.2 %	10.2%	- 1.0 p.p.

Business Outlook – Retail (3)

(A Nationwide Retail Network)



Business Strategies & Outlook

– Retail

Retail strategies for 2013 continue to focus on:

- Intensive training particularly for store managers, merchandising and sales staff through professional courses from CTG's fashion school
- Accelerated increase in number of shop openings with upgraded store images and diversification in fashion collections
- A more consolidated structure to improve retail sales and marketing as well as closer inventory management for better results

The Group's new joint venture with G-III Apparel Group Limited in retailing "Calvin Klein Performance", a yoga-based trendy brand for your ladies, in China saw a very successful launch in 2012, which we expect the store openings in 2013 will be triple of 2012.

FINITY

ELANIE RIESE

Calvin Klein
PERFORMANCE

RIVERSTONE



THANK YOU

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