



CHINA TING GROUP

華鼎集團



2007 Interim Results Corporate Presentation


September 2007

Agenda



 Major Achievements



 Financial Highlights



 Business Review and Strategies



 Open Forum

Major Achievements



▣ Achieved significant top-line and bottom-line growth

▣ Revenue up 36.0%, net profit up 12.4%



▣ Attained satisfactory sales growth for non-silk apparel OEM business

▣ Successfully diversified product mix to cotton apparel



▣ Recorded steady growth in fashion retail business

▣ Extended retail network coupled with improved same store performance



▣ OEM annual production capacity expanded to 20.0 million pieces

Financial Highlights – Key Figures

For the six months ended 30 Jun

HK\$ mil	2007	2006	Change
Turnover	1,255	923	+36.0%
Gross Profit	427	346	+23.4%
Net profit	248	221	+12.4%
EPS (HK cents)			
-Basic	12.00	10.69	+12.3%
-Diluted	11.95	10.64	+12.3%
Interim dividend per share (HK cents)			
-Ordinary	5.9	5.4	+9.26%
-Special	1.0	1.0	-



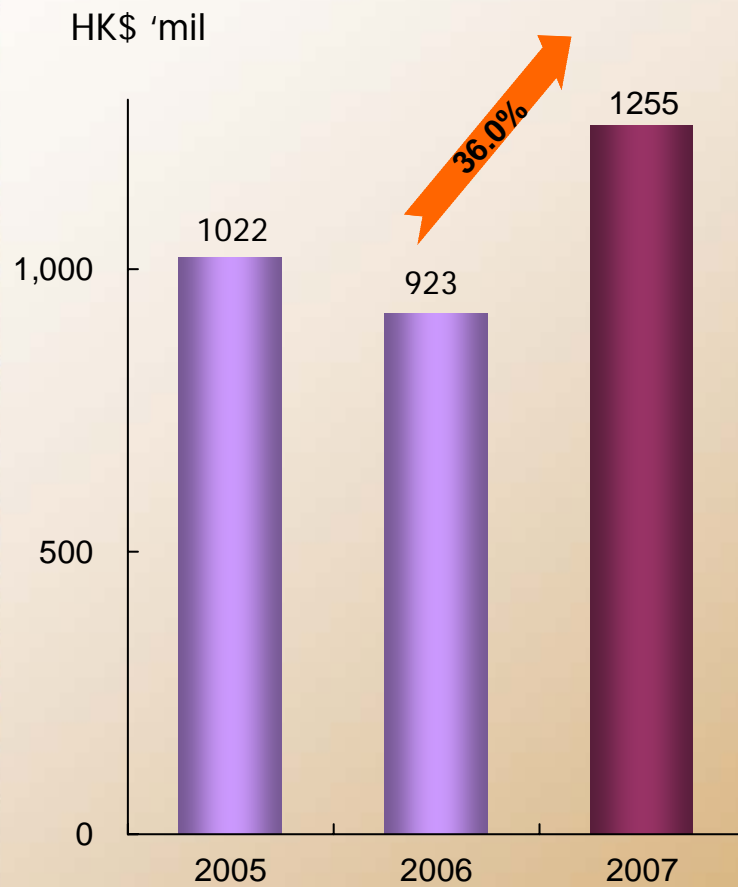
Financial Highlights – Key Figures



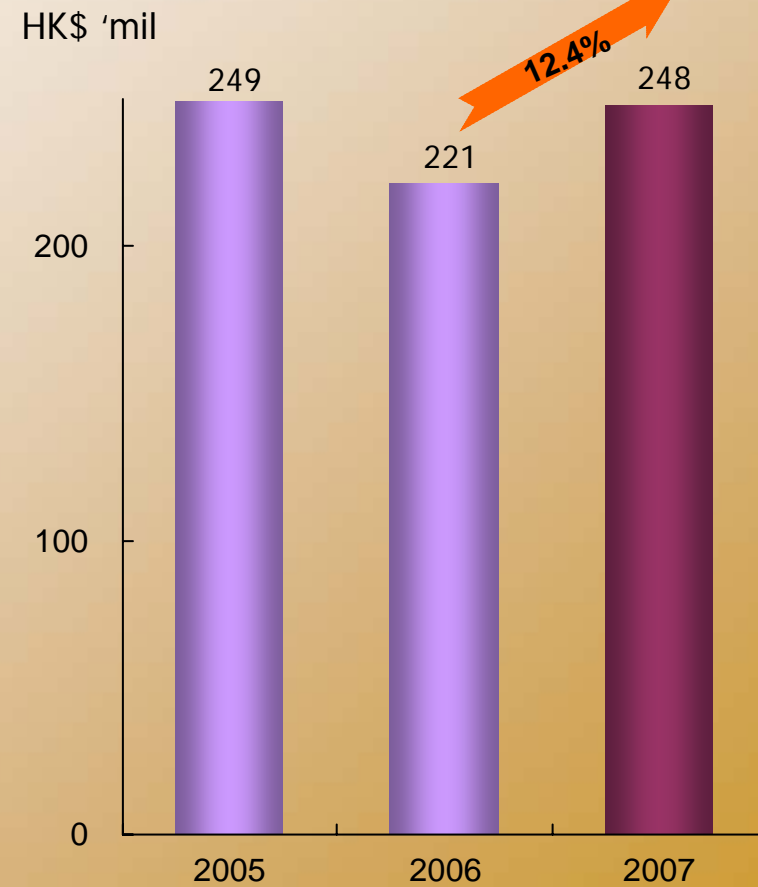
	As at 30 Jun 2007	As at 31 Dec 2006
Cash on hand (HK\$ 'mil)	868	838
Current ratio (times)	5.4	4.4
A/R turnover days	45	51
Trade payable turnover days	40	59
Inventory turnover days	71	92
Net debt to equity (%)	Net Cash	Net Cash

Financial Highlights – Sustained Growth

Turnover



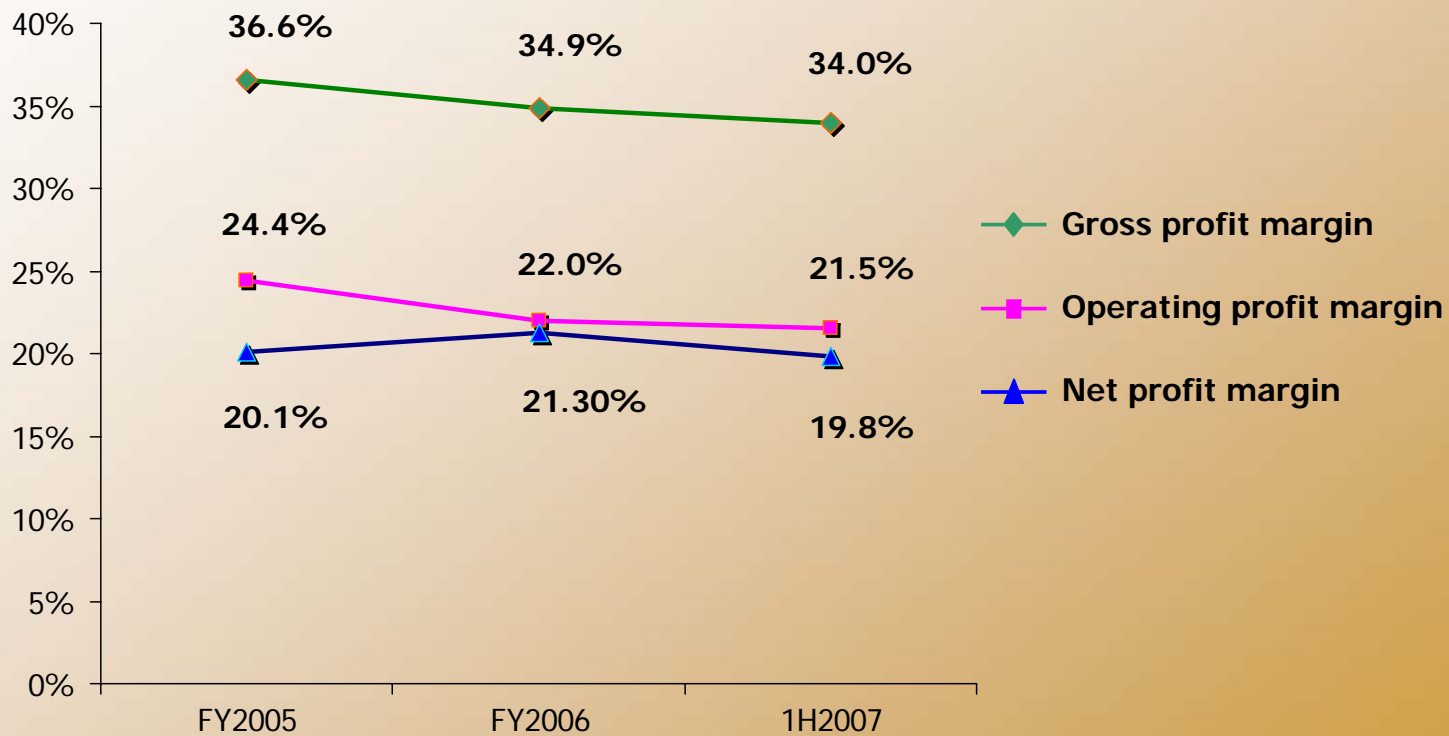
Net Profit



For the six months ended 30 Jun



Financial Highlights – Margins



Financial Highlights – Manufacturing



▣ Diversified product mix to other apparel to expand income source



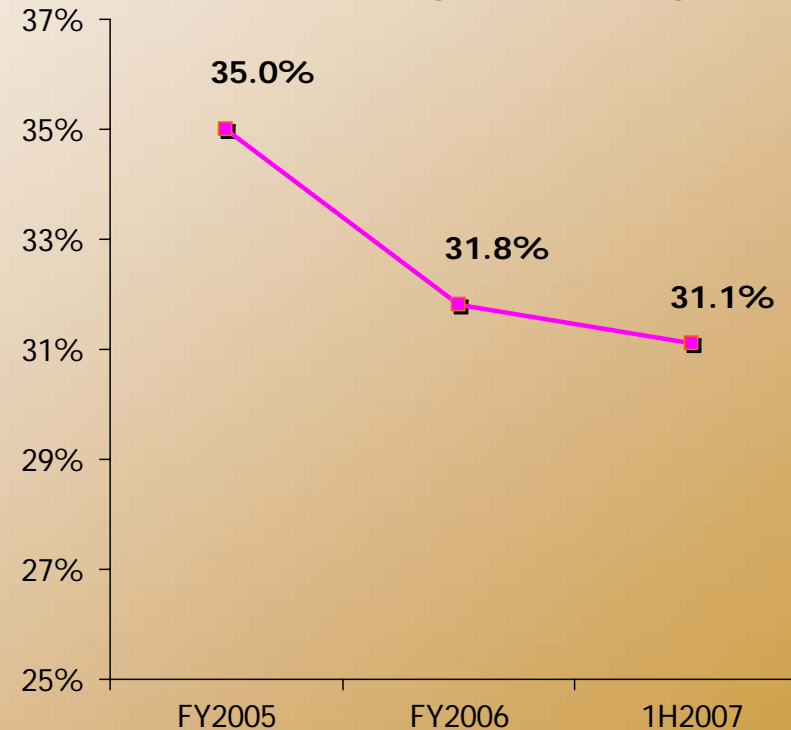
▣ Extended overseas clientele from US to EU countries



▣ Reduced export rebate; and RMB appreciation



OEM/ODM gross margin



Financial Highlights – Retailing



▣ Sales surged by 35.5% to HK\$119.0 million



▣ Rationalized and renovated underperformed stores

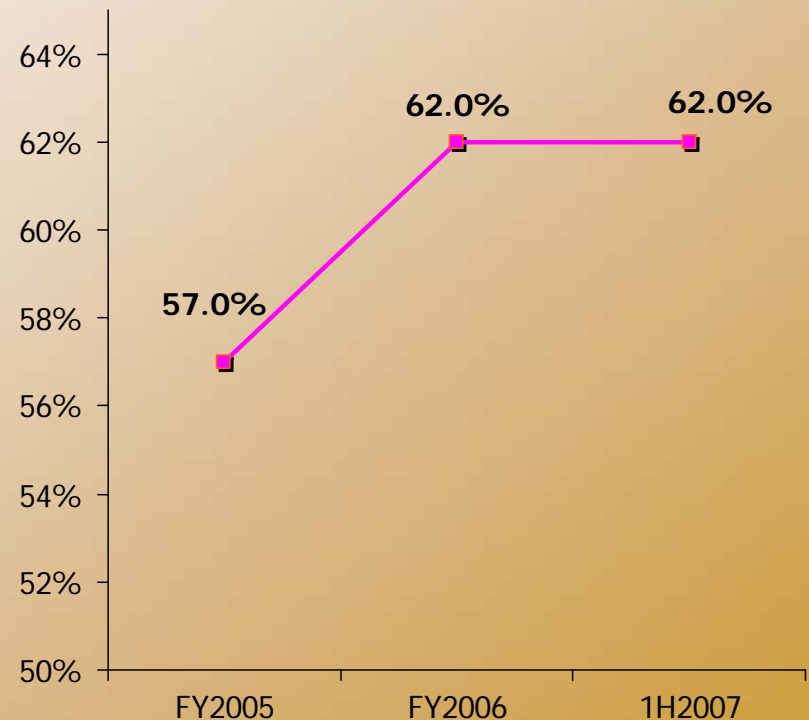


▣ Strengthened shop image

▣ “Finity” continued to be the major growth driver



Retail gross margin



Business Review – Annual Capacity

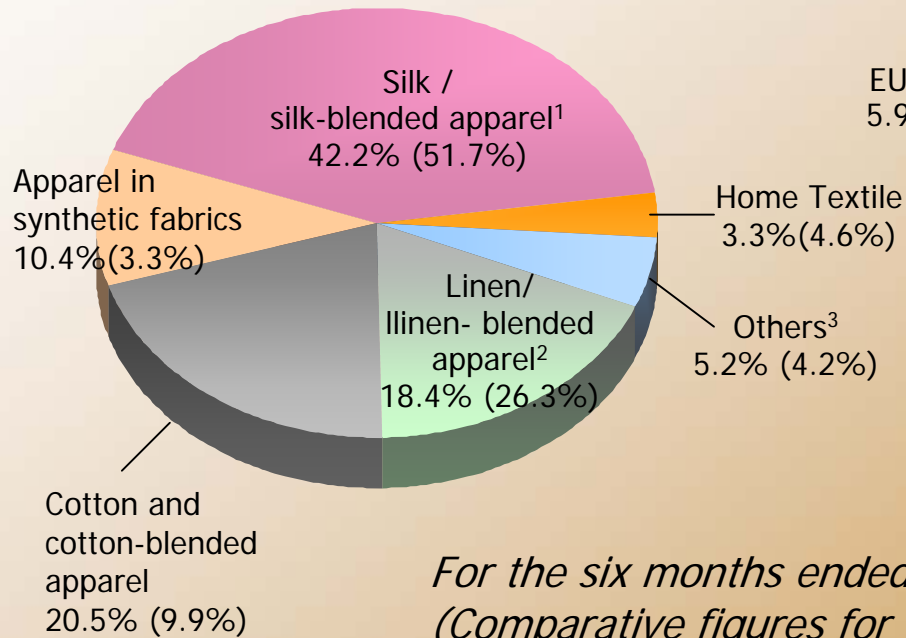


	2007	2006
'000 pcs/'000 meters	Max. output	Max. output
Garment manufacturing	20,000	18,000
Silk or other fabric weaving	8,000	6,920
Home textile fabric weaving	2,400	910

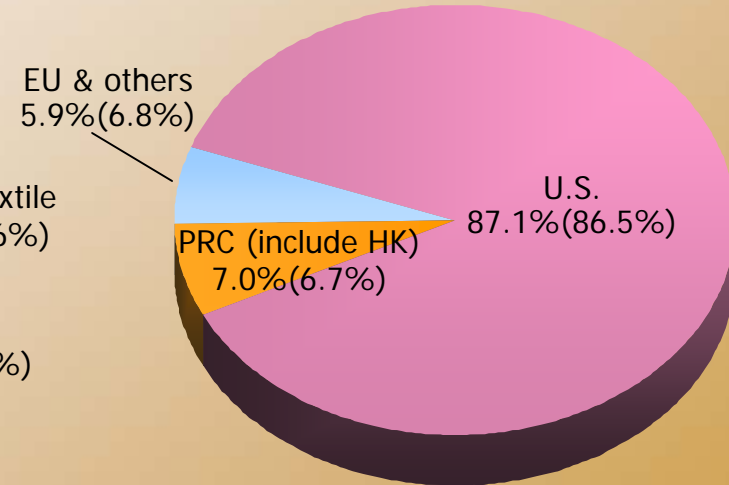
Business Review - OEM/ODM (1)



OEM Sales by Materials



OEM Sales by Locations



*For the six months ended 30 Jun 2007
(Comparative figures for 1H2006 in brackets)*

1. Garment with >50% silk content
2. Garment with >50% linen content
3. Other garment incl. garments made principally of cotton, polyester and wool

Business Review - OEM/ODM (2)



Further product and market diversification

- Expand further to EU market and start exploring Japan
- Develop wool fabrics market by setting up JV with a well-established European company

Enhance capacity by continual organic expansion

- New production plant will be commenced in January 2008 with annual production capacity of 4 million pieces
- Construction of wool fabric mill in late 2007 with annual production capacity of 5 million meters in FY2009
- A new vertically integrated supply chain for fall/winter apparel to be in operations in early 2009

Business Review - OEM/ODM Clients



★ macy's
ESPRIT



EXPRESS



The Ordinary Online Store

MICHAEL KORS

JONES NEW YORK

TOPSHOP

liz claiborne

NEW YORK & COMPANY

RALPH LAUREN

ANN TAYLOR



Business Review - Retail Brands



FINITY

MAXSTUDIO  COM



ÉLANIE
PARIS

RIVERSTONE 

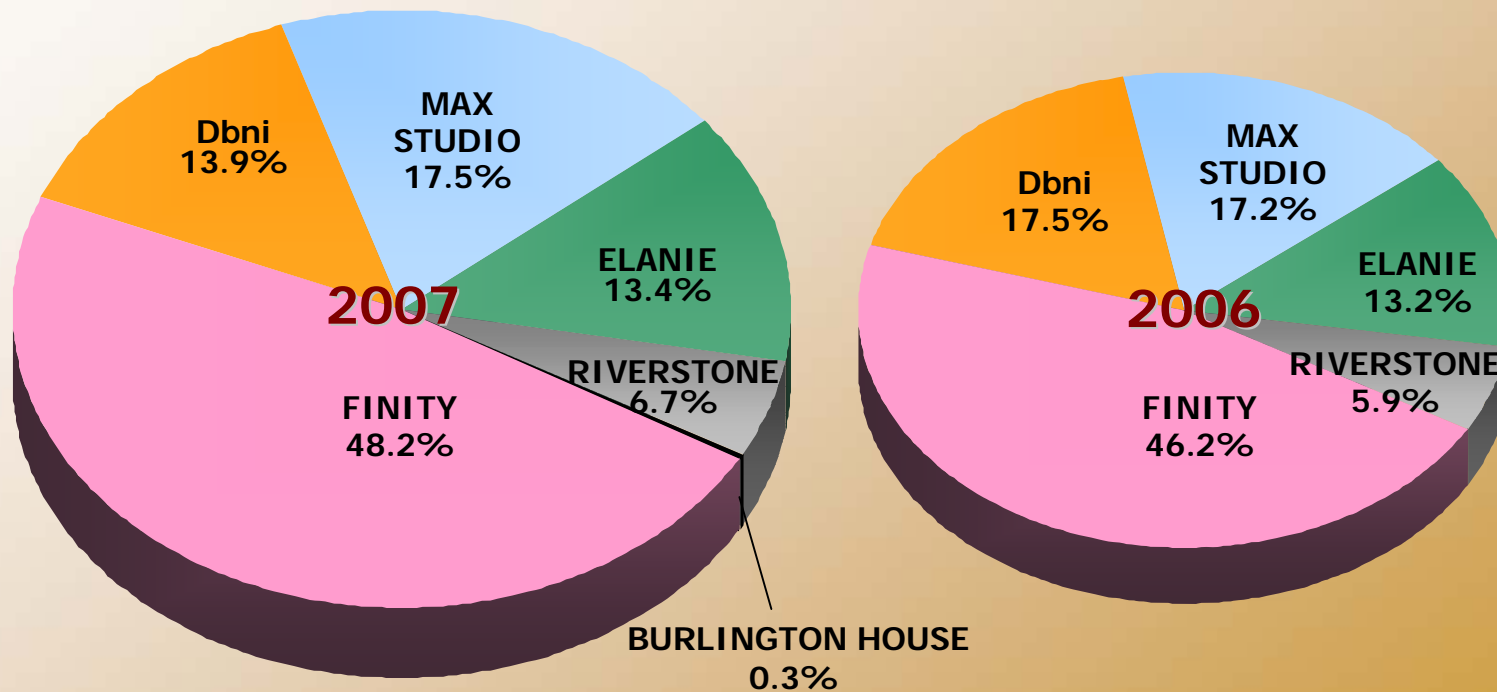


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Business Review – Retail Breakdown

Retail sales by branded fashion



For the six months ended 30 Jun



Business Review – Retail Shops



- ▣ Acquire 10 premises in PRC major cities as flagship retail shops
- ▣ Rationalize retail network and strengthen brand image
- ▣ Cooperate with international designers and invest in marketing
- ▣ Acquire leading brands that can provide strategic value
- ▣ Continue to seek cooperation with international renowned brands
- ▣ Aim to increase this business contribution to 30% of the Group's total revenue

Planned Capex in 2007 = HKD240m



Manufacturing Business

- ▣ Construction of new garment production plants (4m pcs p.a.) nearby the existing complex in Hangzhou
- ▣ Machinery enhancement for factories in Hangzhou
- ▣ Construction of a new production plant for wool fabric and acquisition of weaving machines (*Total investment: HKD150m, balance of HKD70m in 2008*)

Retail Business

- ▣ Expansion of retail shops, and marketing/advertising/promotion activities for strengthening the in-house fashion labels and brand images

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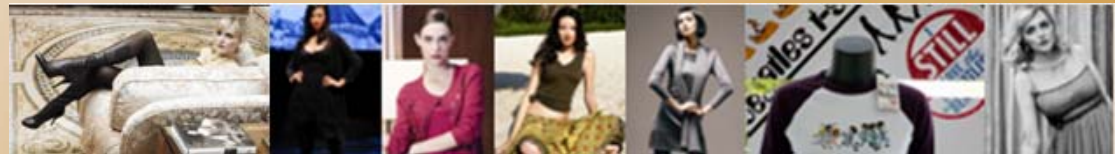
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