



CHINA TING GROUP

華鼎集團



2007 Annual Results
Corporate Presentation
April 2008

Agenda

 Major Achievements

 Financial Highlights

 Business Review and Strategies

 Planned Capex in 2008



Major Achievements

- ▣ Achieved steady top-line (up 22.5%) and bottom-line growth (up 10%).
- ▣ Successfully developed a balanced mix of silk & non-silk OEM apparel.
- ▣ Record significant growth (34%) in fashion retail business.
- ▣ Extended retail network coupled with improved same store performance.
- ▣ Net profit approaching HK450 million.



Financial Highlights: Key Figures

HK\$ 'mil (Year ended 31 December)	2007	2006	Change
Turnover	2,354	1,920	22.6%
Gross profit	793	670	18.4%
Net profit	450	409	10.0%
Basic EPS (HK cents)	21.75	19.79	10.0%
Dividend per share (HK cents)			
-Final	7.82	7.0	11.7%
-Full Year	14.72	13.40	9.9%

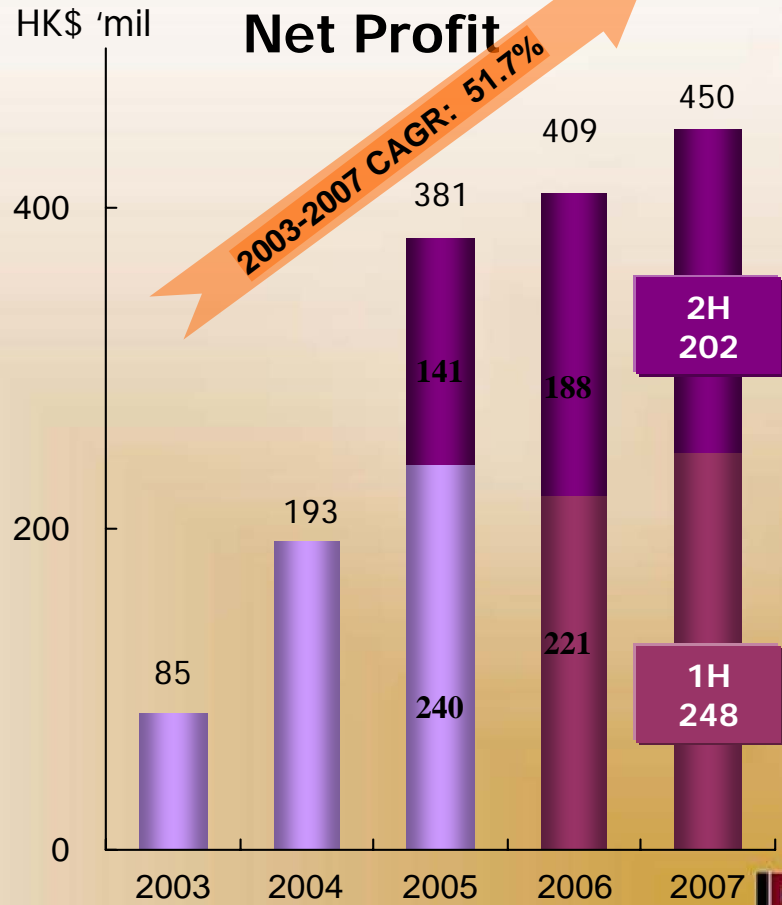
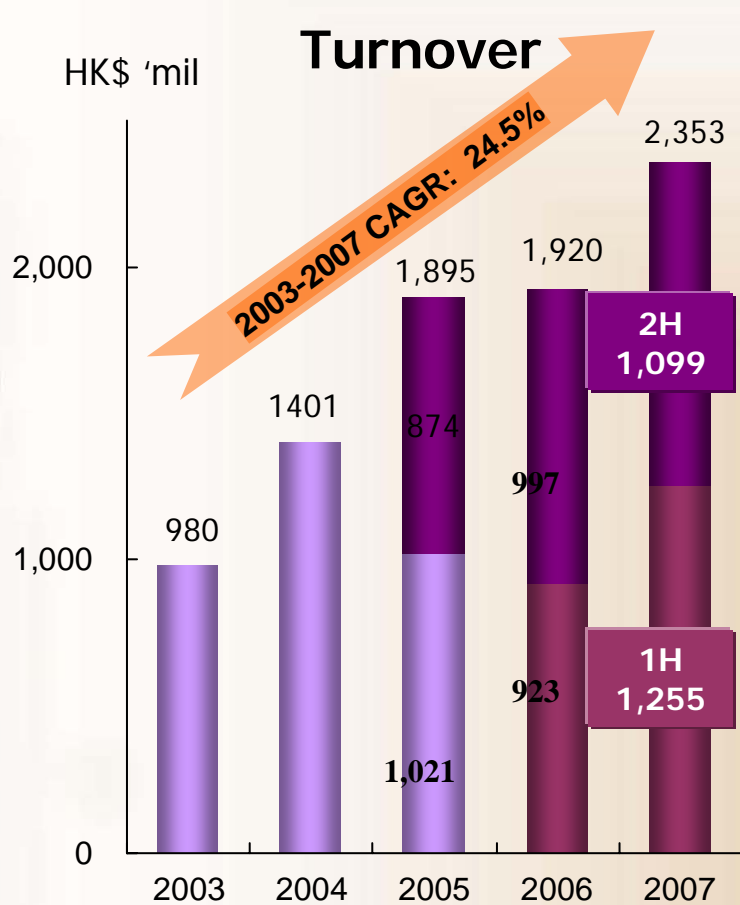


Financial Highlights: Other Figures

Year ended 31 December	2007	2006
Cash on hand (HK\$ 'mil)	748	838
Current ratio (times)	4.9	4.4
A/R turnover days	50	51
Trade payable turnover days	45	59
Inventory turnover days	87	88
Net debt to equity (%)	Net Cash	Net cash



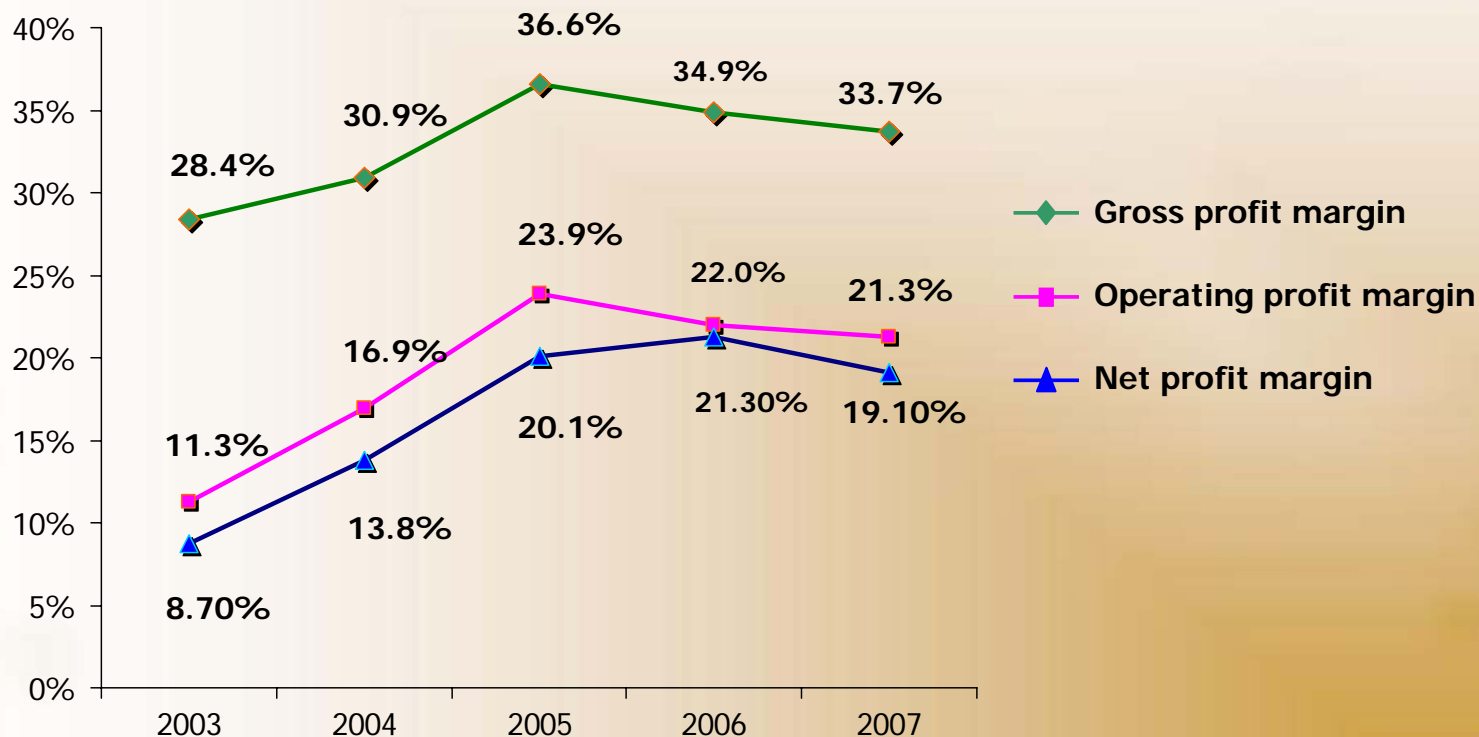
Financial Highlights: Trend



For the year ended 31 December



Financial Highlights: Key Margins



For the year ended 31 December

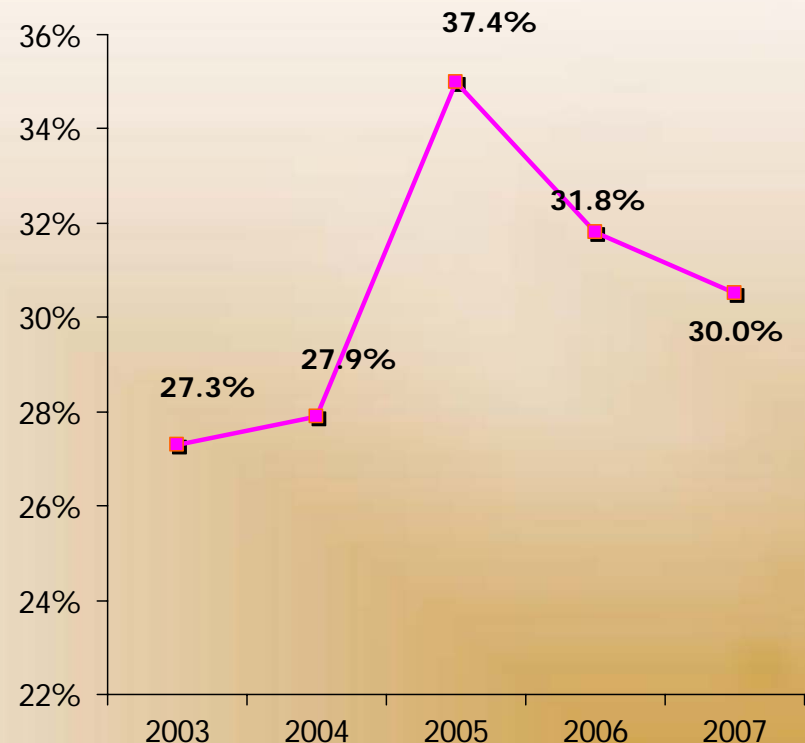


Financial Highlights: Manufacturing

- ▣ Diversified product mix to other apparel to expand income source and achieved double-digit growth.
- ▣ Increased labour costs.
- ▣ Reduced export rebate.
- ▣ Appreciated RMB currency rate.



OEM/ODM Gross margin



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Financial Highlights: Retail

- Sales surged by 34% to HKD263 million
- Enhanced same store sales growth and production efficiency
- GP further increased to 65%.



Retail gross margin



Business Review: Capacity

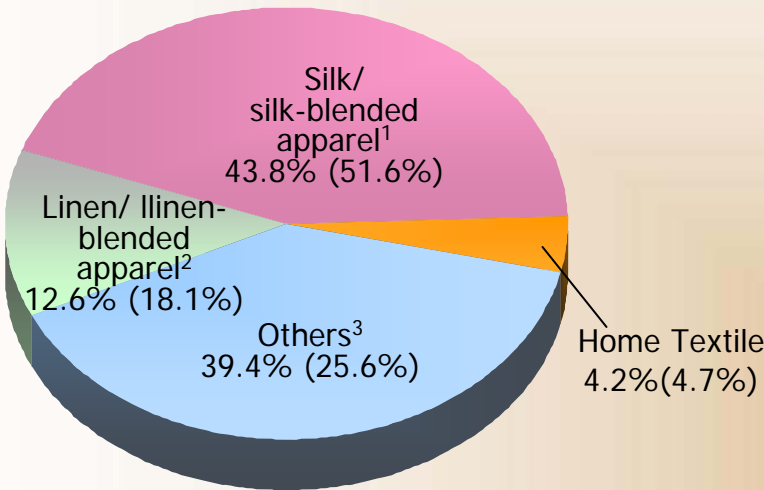
Year ended 31 December	2008	2007
Unit '000 pcs/'000 meters	Max. output	Max. output
Garment manufacturing	20,000	20,000
Silk or other fabric weaving	8,000	8,000
Home textile fabric weaving	2,400	2,400
Printing & dyeing *		
- Printing	7,000	N/A
- Dyeing	6,000	N/A

* Become a member of the Group since January 2008.

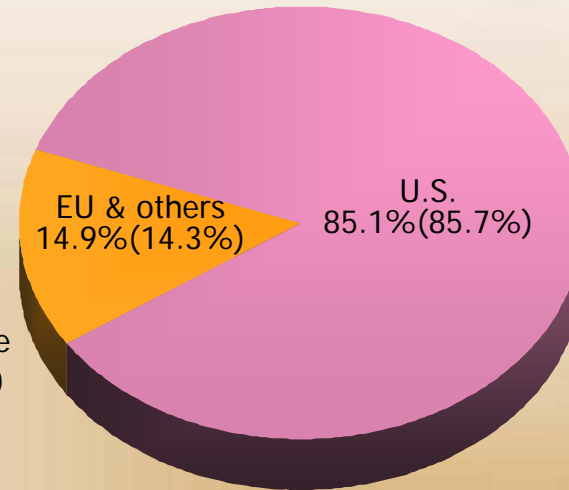


Business Review: OEM/ODM (1)

OEM Sales by Materials



OEM Sales by Locations



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

*For the year ended 31 December 2007
Comparative figures for FY2006 in brackets*



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Business Review: OEM/ODM (2)

Accelerated product & market diversification

- Expand non-silk OEM and ODM to tap into higher-margin sectors
- Further explore EU market and start exploring Japan market
- Expand into fall/winter apparel.

Enhance capacity by continual already expansion

- Construction of wool fabric mill already started and expected to be in operations from early 2009.



Business Review: OEM/ODM Clients



No Ordinary Online Store

ESPRIT

MICHAEL KORS

JONES NEW YORK

liz claiborne

GUESS
BY MARCIANO

RALPH LAUREN

ANN TAYLOR



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Business Review: Retail Brands

FINITY

MAXSTUDIO  COM

ÉLANIE
PARIS



Doni

RIVERSTONE 

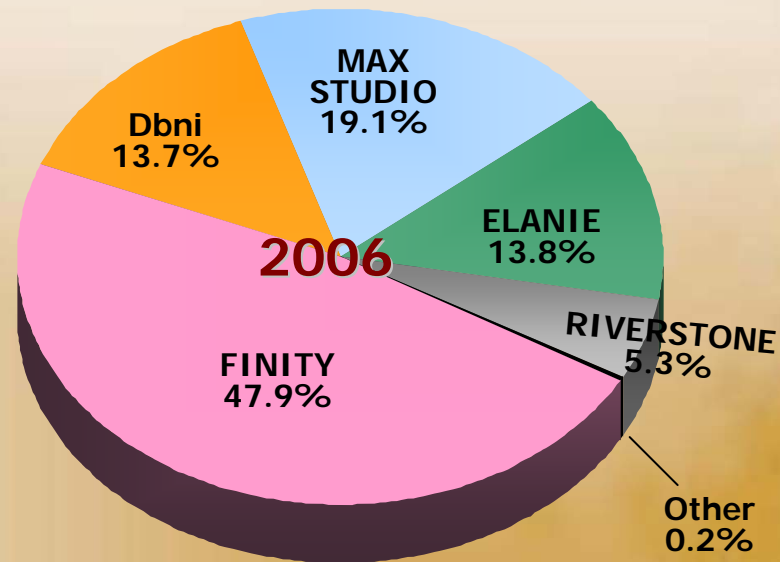
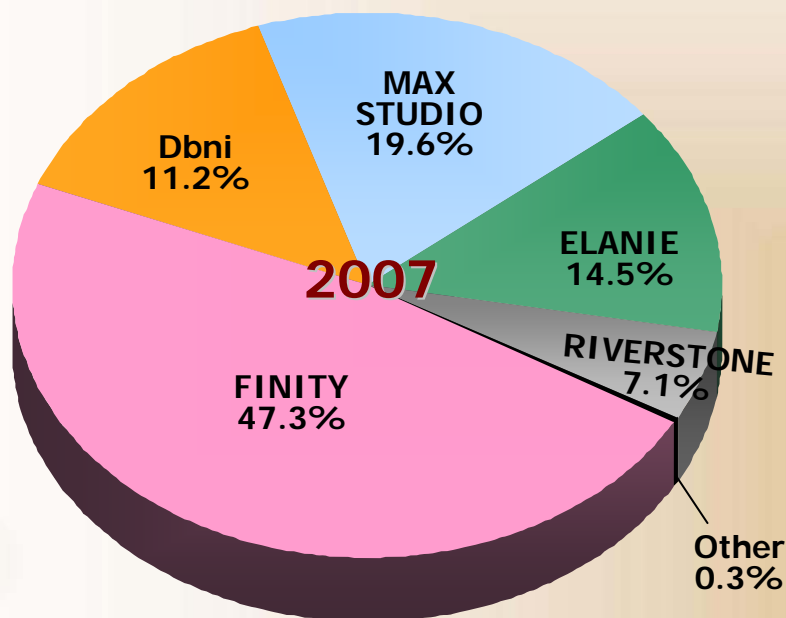


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Business Review: Retail Breakdown

Retail Sales by brand



Business Review: Retail Shops

- ▣ Continue to expand new stores throughout China.
- ▣ Acquire leading fashion brands that can provide strategic value
- ▣ Continue to seek cooperation opportunities with international renowned brands.
- ▣ Continue the cooperation with international designers.
- ▣ Enhance marketing efforts to strengthen brand awareness by conducting nationwide fashion shows and increasing media publicity.
- ▣ Aim to increase contribution to 35% of the Group's total revenue.



Planned Capex in 2008 & Onwards

	HKD'm
Manufacturing Business	
 Expansion of printing & dyeing factory inside Hangzhou complex	25
 Construction of a new production plant for wool fabric <i>(Total investment: HKD150m. used HKD90m in 2007)</i>	60
Retail Business	
 Expansion of retail shops network, and marketing/ advertising/ fashion shows/promotion activities for strengthening the in-house fashion labels and brand images	
 Cooperation with well-known branded fashion in China	
<i>Note: Budget to apply the unused IPO net proceeds of approx. HKD400m for expansion of retail business.</i>	





Thank You



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