



CHINA TING GROUP

華鼎集團



2011 Interim Results Corporate Presentation

-August, 2011-

Agenda



-  **Industry Overview**
-  **Financial Highlights**
-  **Business Overview and Strategies**
-  **Open Forum**

Industry Overview

- **The combined problems of the world's major economies have not permitted any quick recovery to date and the garment business, in general, continues to be a victim of rising raw material costs, minimum wages and currency instability.**
- **Consumers lack confidence in their governments' abilities to find a rapid and sustainable solution and have, thus, created a negative impact on expenditure, putting pressure on actual selling prices.**
- **In the face of such a challenging atmosphere, China Ting Group has been strongly supportive of its business partners and successful in maintaining its sales although at some expense to its profit margins.**

Financial Highlights – Key Figures (1)

For the six months ended 30 June

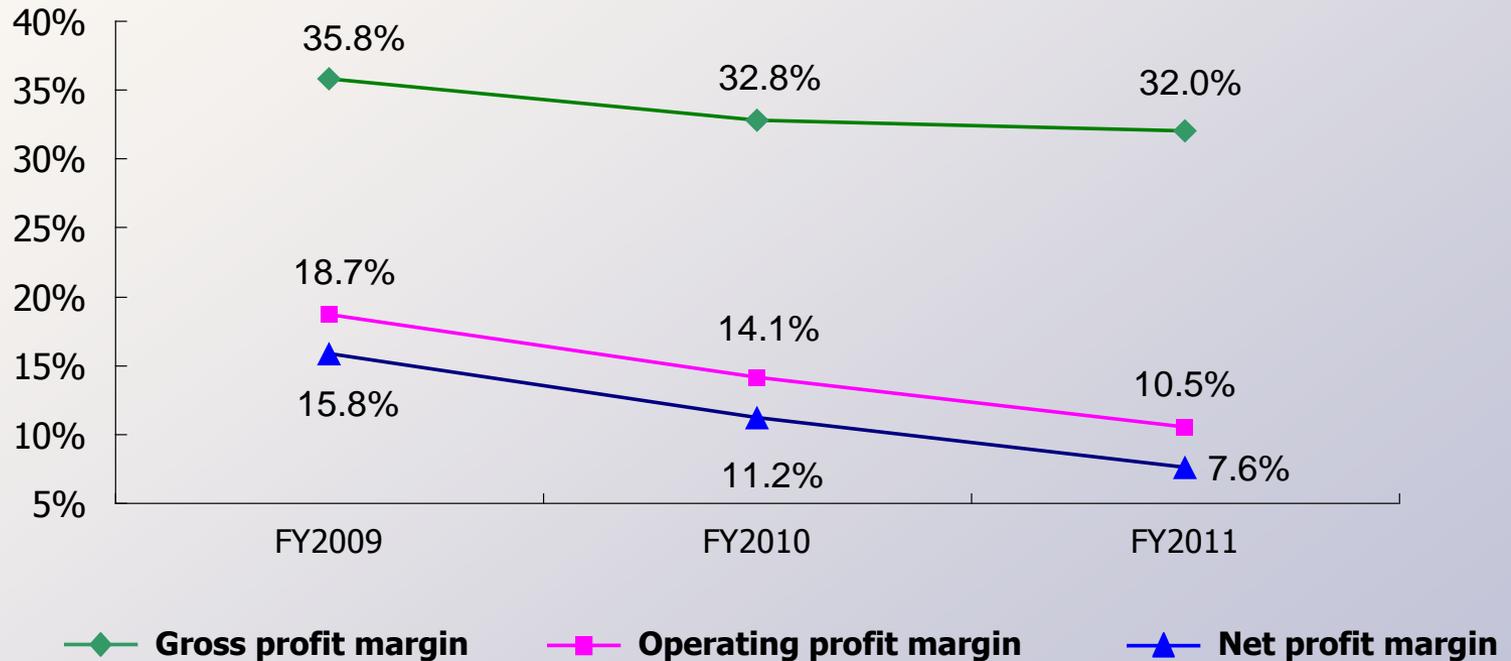
HK\$ mil	2011	2010	Change
Turnover	1,227.5	1,305.4	-6.0 %
Gross Profit	392.6	428.8	-8.4 %
Profit attributable to equity holders of the Company	94.3	145.5	-35.2%
Dividend per Share (HK cents)	2.7	4.17	
Dividend payout ratio (%)	60.0	60.0	
Equity per shares (HK dollars)	1.27	1.21	

Financial Highlights – Key Figures (2)

	As at 30 Jun 2011	As at 31 Dec 2010
Cash and bank balances (HK\$ 'mil)	603.2	395.9
Current ratio (times)	2.5	3.5
A/R turnover days	67	59
Trade payable turnover days	45	45
Net debt to equity (%)	Net Cash	Net Cash

Financial Highlights – Margins

For the six months ended 30 June



Business Overview – OEM/ODM (1)

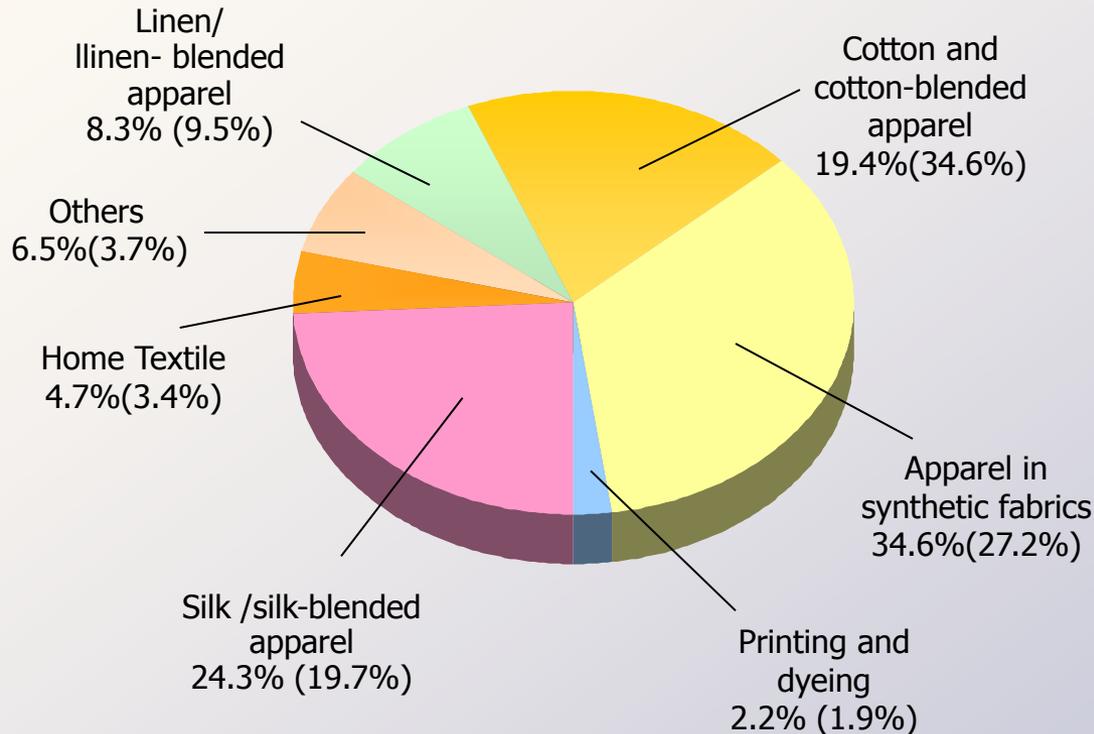
Financial Highlights – Segments Profit

For the year ended 30 June

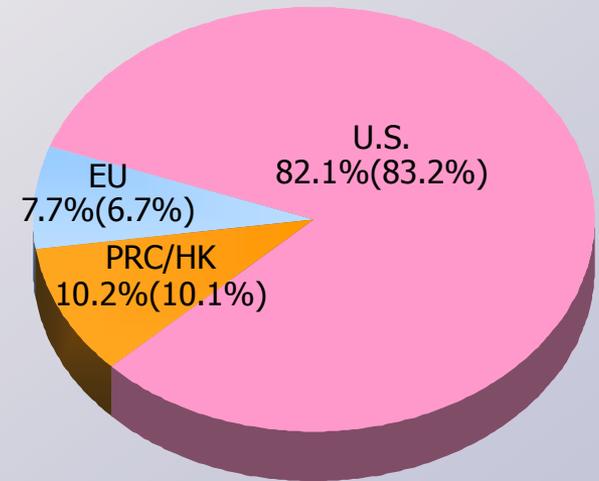
HK\$ mil	2011	2010	Change
Turnover – OEM/ODM	993.3	1,109.7	-10.5 %
Segment Profit – OEM/ODM	94.3	157.5	-40.1 %
Segment Profit Margin – OEM/ODM	9.5 %	14.2 %	-4.7 p.p.

Business Overview - OEM/ODM (2)

OEM/ODM Sales by Materials



OEM/ODM Sales by Locations



*For the six months ended 30 June 2011
(Comparative figures for FY2010 in brackets)*

Business Overview - OEM/ODM (3)

OUR CUSTOMERS INCLUDE

** Top 5

Abercrombie & Fitch – U.S.A.
Ann Taylor – U.S.A.
Bernard Chaus Inc. – U.S.A. **
Calvin Klein – U.S.A. **
Dillards – U.S.A.
Express – U.S.A. **
Gap / Banana Republic – U.S.A.
Guess – U.S.A.
Jones NY – U.S.A.
Limited – U.S.A.
Macy's – U.S.A. **
Michael Kors – U.S.A.
Ralph Lauren – U.S.A.
Talbots – U.S.A. **
Victoria's Secret – U.S.A.

Armani – E.U.
BCBG A. Manoukian – E.U.
Betty Barclay – E.U.
Celio – E.U.
Esprit – E.U.
French Connection UK – E.U.
Luisa Spagnoli – E.U.
Marks & Spencer – E.U.
Max Mara – E.U.
Mexx – E.U.
Ted Baker – E.U.

among others



Business Strategies - OEM/ODM

CHINA TING GROUP continues to

- ⌘ Enforce speed and adaptive new strategies for speed to market production
- ⌘ Focus on product diversification and improving efficiency, quality and productivity to combat rising costs and market demands.
- ⌘ Implement innovative technologies to maintain competitiveness over our peers

Business Overview - Retail (1)

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ÉLANIE RIESE



OUR SHOPS IN CHINA



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CHINA TING GROUP
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Business Overview – Retail (2)

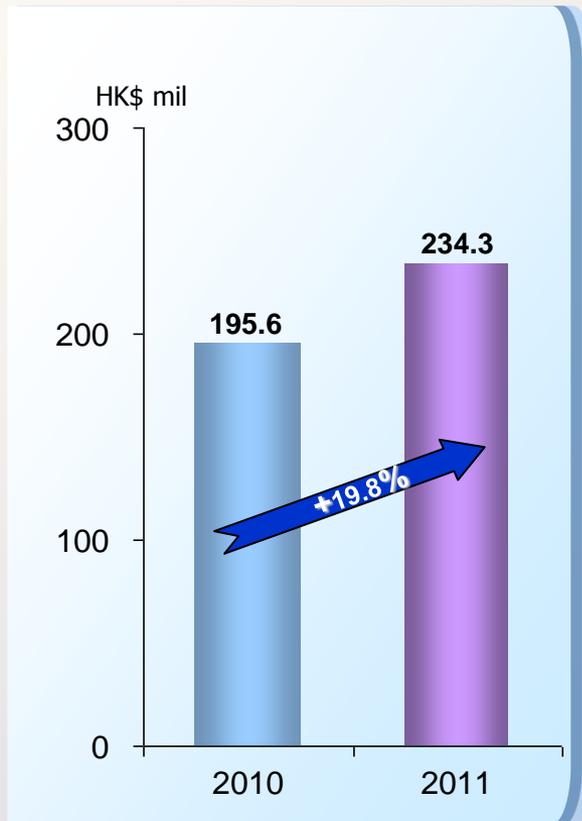
Financial Highlights

For the year ended 30 June

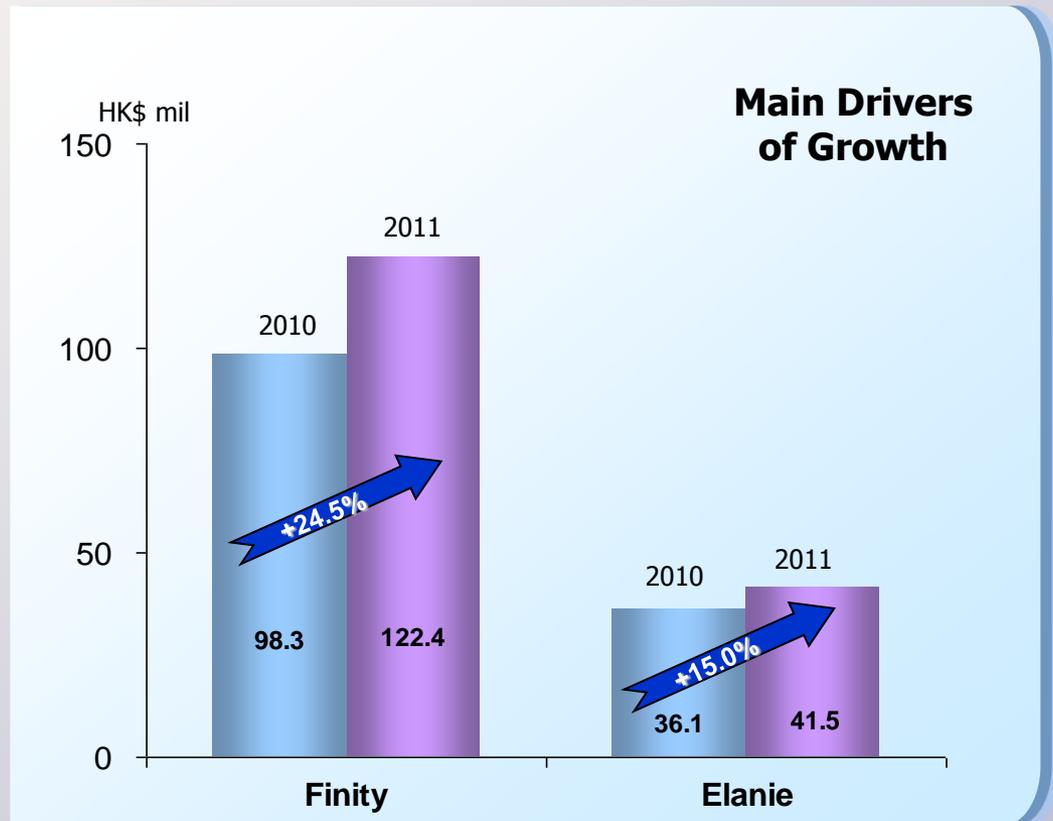
HK\$ mil	2011	2010	Change
Turnover – Retail	234.3	195.6	19.8 %
Segment Profit – Retail	32.0	40.1	-20.2 %
Add Inventories provision	6.9	3.0	
Add/(Less) License right fee	3.2	(1.6)	
Segment Profit – Retail (Adj.)	42.1	41.5	1.4 %
Segment Profit Margin – Retail (Adj.)	18.0 %	21.2	-3.2 p.p.

Business Overview – Retail (3)

Retail Performance



Overall Sales Turnover



Business Overview – Retail (4)

A Nationwide Retail Network



No. of retail outlets:

In-house brands

PINITY



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RIVERSTONE



Licensed brands

MAXSTUDIO.COM



Business Strategies (1)– Retail

CHINA TING GROUP continues an aggressive marketing focus on

- ▣ Improved collections and creativity through international designers and design studios
- ▣ Innovation of store images and displays
- ▣ Increased store openings with larger surface areas for more visibility

OWN BRANDS

FINITY

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UNDER LICENSE

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Business Strategies (2) – Retail



To encourage sales performance and personnel loyalty, CTG has implemented a large range of incentives including the launch of its own fashion school.

Stepped up professional training of the Group's retail staff at all levels are further supported by bonuses and internal promotions if targets are met.





Open Forum

