



CHINA TING GROUP  
華鼎集團

# 2012 Final Results Corporate Presentation

-March, 2013-





# Agenda

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

- OEM/ODM
- RETAIL



# BUSINESS OVERVIEW

# **Business Overview**

**The uncertainty of the global market makes it a challenging time for the fashion and textile industry. The United States was recovering but at a slower pace than expected, while Europe continued to struggle with its unabated debts which dampened consumers' confidence.**

**China's economy is losing its strong growth, partly due to the sluggish global economy and continuing uncertainty in the Eurozone economy, as well as its own inflation.**

**Consumers' power today, has weakened and demand veers towards a focus on price and basics.**

**The Group continues to focus on better quality, speed to market and improving productivity, targeting new customers especially in Europe and Asia.**



# FINANCIAL HIGHLIGHTS

# Financial Highlights – Key Figures (1)



*For the year ended 31 December*

HK\$ mil	2012	2011	Change
<b>Turnover</b>	<b>2,582.0</b>	2,472.5	<b>4.4 %</b>
<b>Gross Profit</b>	<b>773.2</b>	769.7	<b>0.5 %</b>
<b>Profit attributable to equity holders of the Company</b>	<b>154.9</b>	170.2	<b>-9.0 %</b>
<b>Dividend per Share (HK cents)</b>	<b>3.7</b>	5.45	
<b>Dividend payout ratio (%)</b>	<b>50.0</b>	67.1	
<b>Equity per shares (HK dollars)</b>	<b>1.30</b>	1.30	

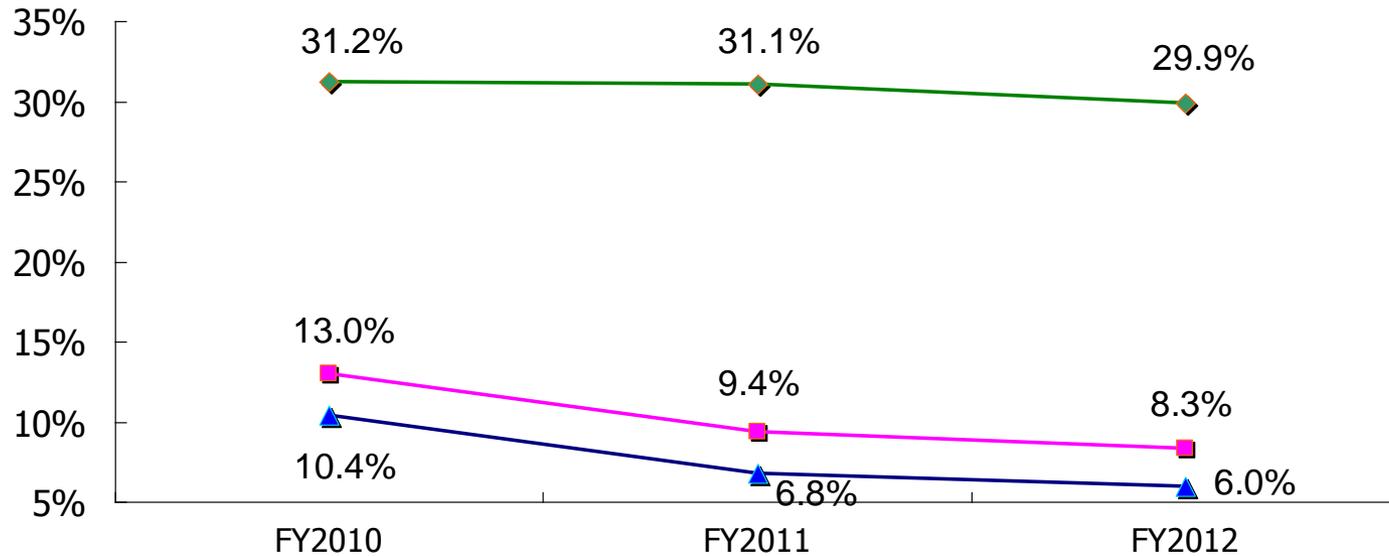
# Financial Highlights – Key Figures (2)

	As at 31 Dec 2012	As at 31 Dec 2011
Cash and bank balances (HK\$ 'mil)	428.7	534.9
Current ratio (times)	2.2	2.7
Trade receivable turnover days	66	69
Trade payable turnover days	53	54
Debt to equity (%)	10.3%	7.3%



# Financial Highlights – Margins

*For the year ended 31 December*



—◆— **Gross profit margin**      —■— **Operating profit margin**      —▲— **Net profit margin**



# BUSINESS OUTLOOK

(OEM/ODM)  
Design & Manufacturing

# Business Outlook – OEM/ODM (1)

## Financial Highlights – Segment Profit

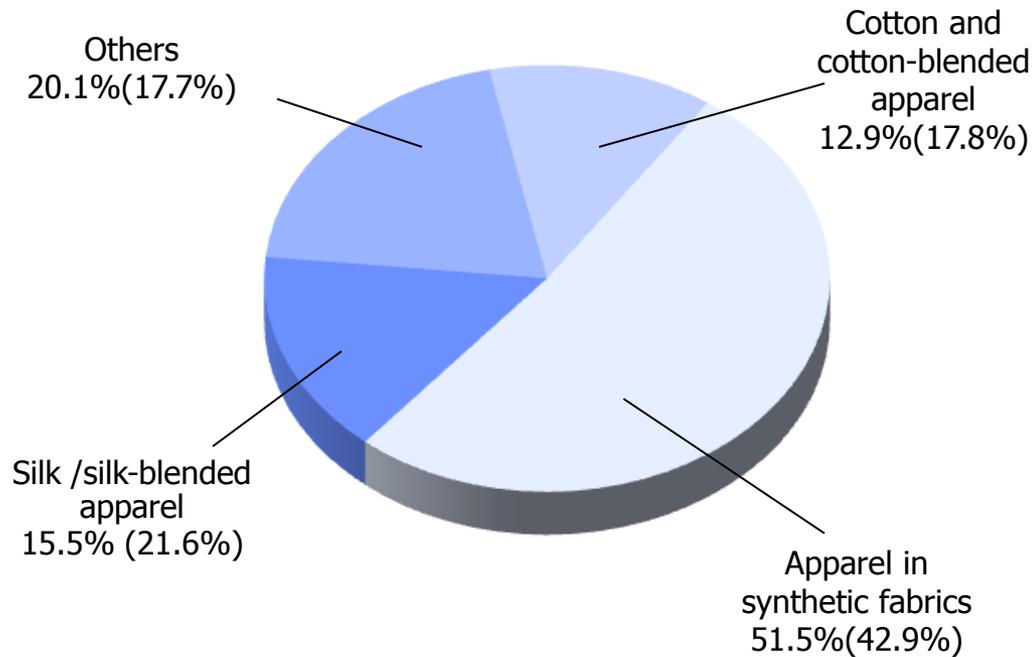


*For the year ended 31 December*

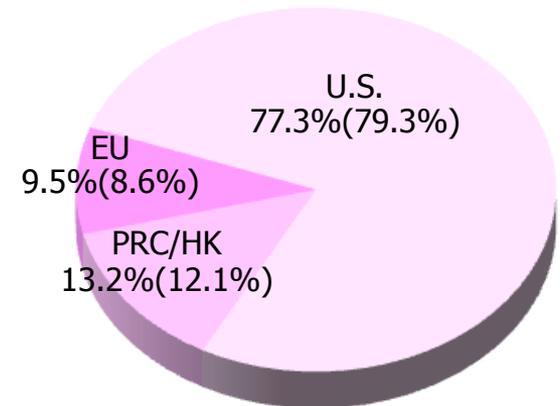
HK\$ mil	2012	2011	Change
Turnover – OEM/ODM	2,109.9	1,970.3	7.1 %
Segment Profit – OEM/ODM	202.4	183.4	10.4 %
Segment Profit Margin – OEM/ODM	9.6%	9.3%	0.3 p.p.

# Business Outlook - OEM/ODM (2)

## OEM/ODM Sales by Materials



## OEM/ODM Sales by Locations



*For the year ended 31 December 2012  
(Comparative figures for FY2011 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**  
**Talbots**  
**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**

*\*\* top five customers*

*among others .....*

# **CHINA TING GROUP's main focus :**

- **Continue to improve its efficiency and profitability in the OEM/ODM business**
- **Focus on design innovation, impeccable quality and speed-to-market delivery**
- **Emphasis on controlling operating expenditures, improving our services to customers and making aggressive inroads in market development**
- **Explore new customers, especially in Europe and Asia**



# BUSINESS OUTLOOK

(RETAIL)

# Business Outlook - Retail (1)

(Store Images)

FINITY



ÉLANIE RIESE



RETAIL  
BRANDS  
in  
CHINA



MAXSTUDIO  COM



RIVERSTONE 

# Business Outlook - Retail (2)

## Financial Highlights

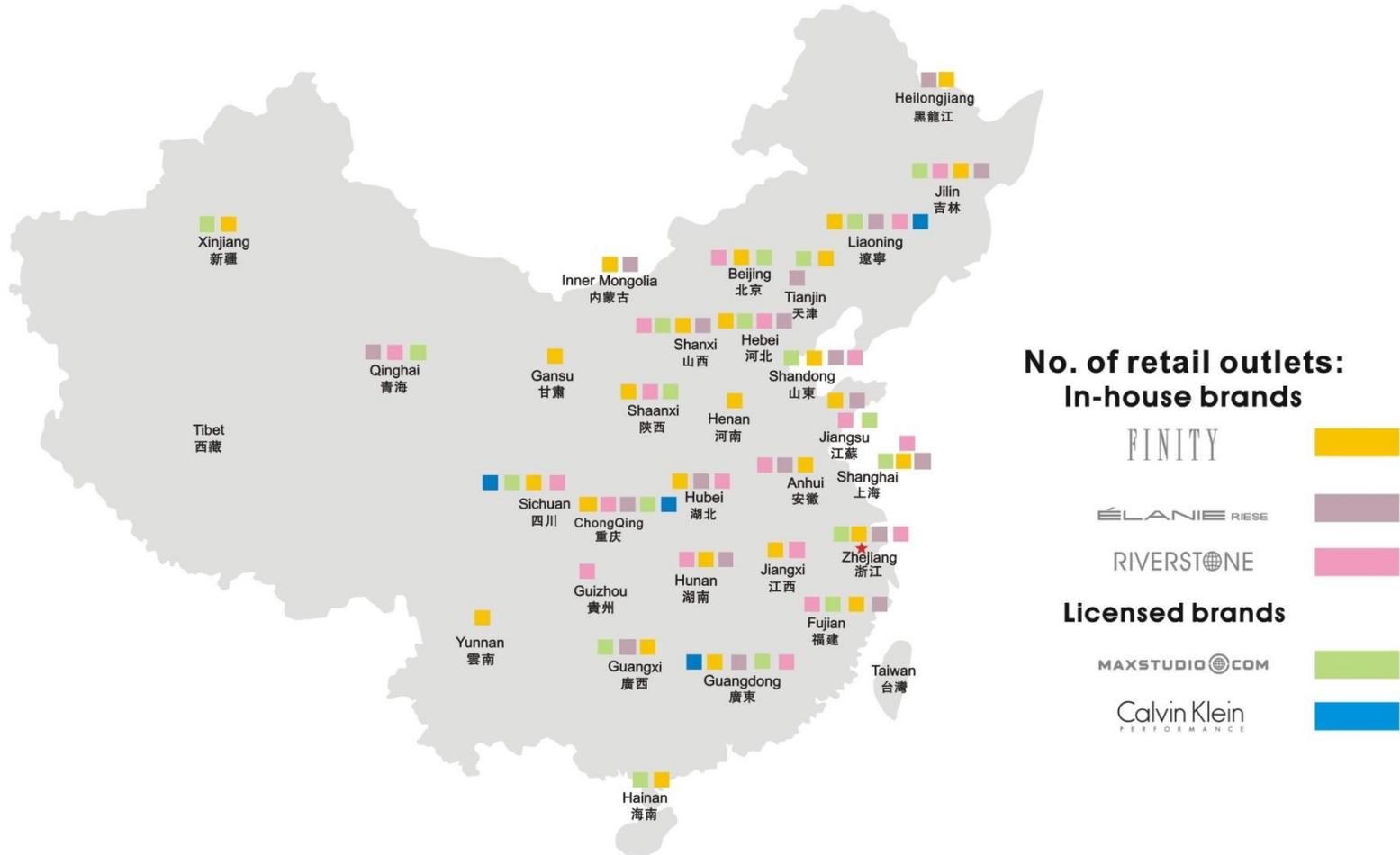


*For the year ended 31 December*

HK\$ mil	2012	2011	Change
Turnover – Retail	472.2	502.2	-6 %
Segment Profit – Retail	28.5	54.1	-47.3 %
Segment Profit Margin – Retail	6.0 %	10.8%	-4.8p.p.

# Business Outlook – Retail (3)

(A Nationwide Retail Network)



# Business Strategies & Outlook – 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
- “Finity” for ladies and “Riverstone” for men continue to be the main focus in 2013
- The new joint venture with GIII Apparel Group Limited, “Calvin Klein – Performance”, is set to continue its aggressive growth in China's market where trendy active wear is becoming very popular and in great demand
- Overall, the forecast for the year to come is conservatively optimistic although the pace will be set by the return to health of the international markets in general.

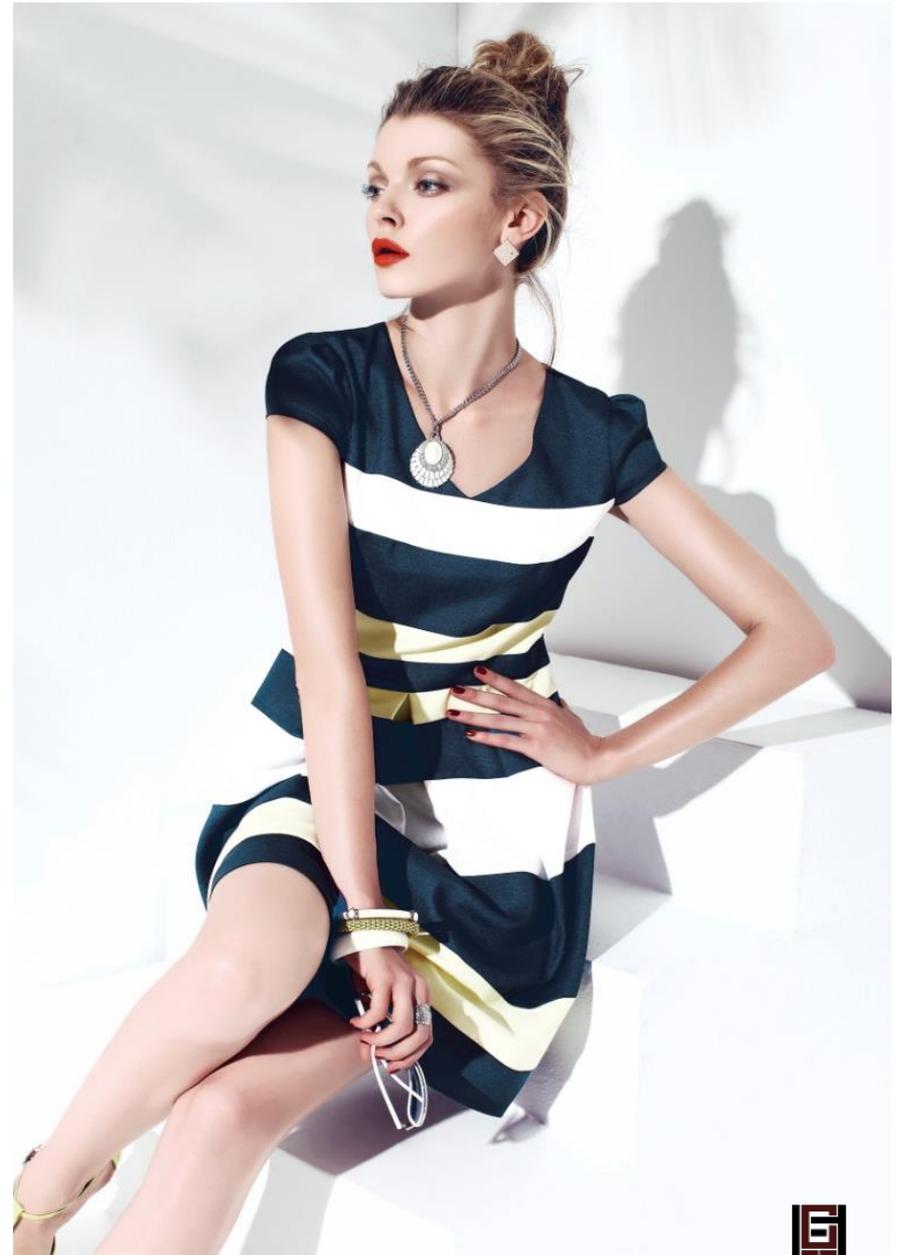
FINITY

ELANIE RIESE

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THANK YOU



## **CONTACT US**

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