

[For Immediate Release]



CHINA TING GROUP HOLDINGS LIMITED  
華鼎集團控股有限公司

**CHINA TING GROUP'S 1H07 NET PROFIT SURGED 12.4% TO HK\$248 MILLION**

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**CONTINUED GROWTH MOMENTUM FOR OEM AND RETAIL BUSINESS**

**Results Highlights:** (for the six months ended 30 June)

HK' million	2007	2006	Changes
Revenue	1,255.0	922.8	+36.0 %
Gross profit	427.1	346.1	+23.4%
Net profit attributable to shareholders	248.0	220.7	+12.4%
Basic earning per share (HK cent)	12.0	10.69	+12.3%
Dividend per share (HK cents)	5.9	5.4	+9.3%
Special Dividend per share (HK cents)	1.0	1.0	-

(Hong Kong, 19 September 2007) — China Ting Group Holdings Limited (“China Ting Group” or “the Group”) (stock code: 3398), a large scale vertically integrated garment manufacturer, exporter and retailer, yesterday announced its interim results for the six months ended 30 June 2007.

With the Group's increasing production capacity and diversified products and markets for its OEM business, coupled with its strengthened retail networks of its brand retail business, China Ting reported a period-on-period increase of turnover by 36.0% to HK1,255.0 million during the first half of 2007. The Group's net profit attributable to shareholders recorded 12.4% increase to HK\$248.0 million. Basic earnings per share were 12.0 HK cents. The Board of Directors proposed the payment of an interim dividend of 5.9 HK cents per share and a special dividend of 1.0 HK cents per share.

Mr. Ting Hung Yi, Chief Executive Officer of China Ting Group, said, “We are pleased to achieve very commendable results for the first half of 2007. We are enjoying the fruits of our continuous investment in improving our production capacity for OEM business and brand image of the retail brands. In addition to our internal capability empowerment, the Group also plans to set up a joint venture company with a well-established wool fabric maker in Europe to extend our client base and expand the scope of business in European markets. We will also strive to explore the ample business opportunities in Japan.”

The Group mainly operates OEM business and fashion retail business. For the first half of 2007, it diversified its OEM product mix and continued to strengthen the fashion retail business network to maximize business opportunities in the global OEM market as well as the apparel retail market in China.

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Turnover of the OEM business amounted to HK\$1,136.0 million for the first half of 2007, with an increase of 36.0% when compared with the same period of 2006. The growth was mainly attributable to the diversification of product mix by producing apparel items in cotton, cotton-blended or synthetic fabrics in addition to the silk or silk-blended garment. The performance of silk OEM business remained strong in the period under review, with turnover recording 11.1% growth. The Group actively increased its annual production capacity as well as expanded its customer base and increased export to Europe and other markets during the first half of 2007. Income from export to Europe and other markets accounted for 12.9% of the total income of OEM business.

A newly constructed production plant is expected to commence production by January 2008. By then, the aggregate production capacity of the Group's OEM apparel items is expected to increase to approximately 24 million pieces per annum. Another move to enhance the Group's operational efficiency and hence its competitiveness is to construct a new wool fabric production plant with annual production capacity of five million meters of wool fabric. It is expected to carry out construction in late 2007 and start production in early 2009. By then, the Group will build up another vertically integrated supply chain for fall/winter apparel, which would help the Group to better capture the business opportunities in this type of apparel and at the same time utilize its production capacity evenly throughout the year.

As for the brand retail business, the aggregate turnover has reached HK\$119.0 million during the period, 35.5% higher than the same period last year. Continuous adjustment of sales network and improvement of existing store sales performance attributable to the significant contribution to the Group's satisfactory performance. For the first half of 2007, rationalization of underperformed shops, renovate and strengthen shop image laid a solid foundation for enhancement of this business sector. During the period under review, all retail shops are operated under five in-house brands and three licensed brands. The Group will seek to accelerate growth momentum for 2007, to acquire 10 premises in PRC major cities as flagship retail shops for its own brands, cooperate with international designers and to acquire leading brands that will add strategic value to the Group. The Group aims to record approximately 30% of the Group's revenue contribution from the brand retail business as well as to increase our profits and profit margin.

Mr. Ting concluded, "Looking forward, we are optimistic of the apparel market in China and the globe. China Ting Group will strengthen marketing management, broaden the product mix, strengthen and accelerate the automatic production process in order to provide customers with professional one-stop shop production and delivery services. The Group will continue to strengthen its internal capability to expand production facilities and reinforce cost control, while at the same time expand its market capitalization through strategic mergers and acquisitions globally. By effectively tapping the OEM business and brand retailing markets, the Group can expect to see its business growing in good pace and to maximize the returns for our shareholders."

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### **About China Ting Group Holdings Limited**

China Ting Group Holdings Limited (Stock Code: 3398) is a company listed on the main board of The Stock Exchange of Hong Kong Limited. China Ting Group is one of the top 200 listed companies in Hong Kong in terms of full market capitalization, and its stock has been included as a constituent stock of both the Hang Seng Composite Index Series and the Hang Seng Freefloat Index Series since November 2006.

China Ting Group is a vertically integrated fashion manufacturer, exporter and retailer in China with a consolidated annual turnover of around USD250 million. With offices and production facilities in Hong Kong, Hangzhou, Shanghai, Shenzhen, New York and Paris, the Group operates extensive retail shops network in 27 provinces/cities in China. China Ting Group has an established industry complex in Hangzhou with 500-acre and 13 modern factory buildings. For more information, please access [www.chinating.com.hk](http://www.chinating.com.hk).

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