



Chairman's
Statement



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On behalf of the board (the "**Board**") of directors (the "**Directors**") of China Ting Group Holdings Limited (the "**Company**"), I am pleased to present you with the 2006 annual report of the Company and its subsidiaries (collectively, the "**Group**").

For the financial year ended 31 December 2006, the Group's turnover reached approximately HK\$1,920.1 million, representing an increase of approximately HK\$25.3 million or approximately 1.3%, as compared to approximately HK\$1,894.8 million for the financial year ended 31 December 2005. Net profit of the Group recorded a new high of approximately HK\$408.5 million, representing an increase of approximately HK\$27.5 million or approximately 7.2%, as compared to approximately HK\$381.0 million for the financial year ended 31 December 2005. The Company continues to maintain generous dividend policy and the dividend payout ratio for the financial year ended 31 December 2006 was approximately 67.8% of the profit attributable to the equity holders of the Company.

Our efforts and achievement were recognised by the market. Effective from 2 November 2006, the Company has been selected as one of the constituent stocks of the Hang Seng Composite Index Series and Hang Seng Freefloat Index Series.

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The Directors believe that the Group's current business activities provide an excellent platform for future growth. Going forward, the Group will expand its existing production facilities through expansion and mergers and acquisitions to position the Group to take advantage of the anticipated industry consolidation. The Group will further expand its retail network for branded apparel sales by increasing the number of retail outlets and continuing its marketing strategies and improvement in retail network.

The Group will continue to strengthen its market position, as one of the world leading silk fashion apparel manufacturers and a reputable branded fashion retailer in China, to generate greater return for our shareholders and investors by leveraging our competitive edges.

Finally, on behalf of the Board, I wish to take this opportunity to express our appreciation to the management and staff of the Group for their commitment, dedication and perseverance. I also wish to express my sincere gratitude to our shareholders, investors and business associates for their continuing support to the Group.

TING Man Yi

Chairman

28 March 2007