

CHINA CERAMICS CO., LTD.



China Ceramics Co., Ltd.

WWW.CCERAMICS.COM

Investor Presentation
February 14, 2011



Safe Harbor Statement

This presentation contains forward-looking statements and management may make additional forward-looking statements in response to your questions. Such written and oral disclosures are made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995.

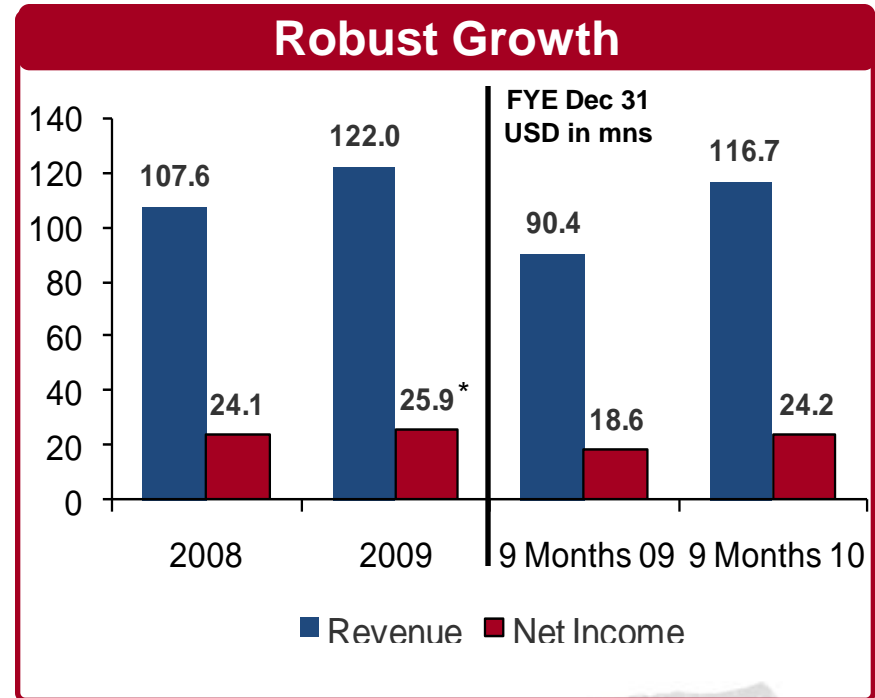
Although we believe our expectations expressed in such forward looking statements are reasonable, we cannot assure you that they will be realized. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the anticipated results, and therefore we refer you to a more detailed discussion of the risks and uncertainties in the Company's filings with the Securities & Exchange Commission.

The forward-looking statements contained in this presentation are made only as of February 14, 2011, and China Ceramics is under no obligation to revise or update these forward-looking statements.



Company Overview

- Founded as Jinjiang Hengda Ceramics in 1993
- Five different types of ceramics tiles used for exterior siding
- Over 2,000 color and size combinations
- Current capacity of 42.2 mm sq. meters in Jinjiang Hengda and recently acquired Hengdali facility
- Growth in outdoor ceramic tile market correlated with urbanization trend in China
- Target capacity of 78.8 mm sq. meters by 2012
- Sold under “Hengda/HD”, “Hengdeli/HDL”, “TOERTO” and WULIQIAO trademarks
- 94% of production is sold in China; 6% exported



* Excludes \$3.6 million one-time going public transaction costs



Equity Snapshot

NasdaqCM: CCCL	FYE: DEC 31
Price (2/10/11)	\$7.54
Basic Shares Outstanding*	16.5 MM
Market Cap.	\$124.4 MM
Cash (Sep 30)	\$6.2 MM
Debt (Sep 30)	\$14.9 MM
Revenue (TTM-Sep)	\$148.8 MM
Net Income (TTM-Sep)	\$28.0 MM
Diluted EPS (TTM-Sep)	\$2.49

*We have 16.5M shares outstanding and approximately 2.8 million warrants outstanding with exercise price of \$7.5 and expiration set for November 16, 2012.



Corporate History

Founded in 1993 as a manufacturer of outdoor ceramics tiles in Jinjiang, Fujian Province



Received the certification of ISO9002, ISO9001 and ISO14001 in 1999; Gradually built up brand reputation



Introduced state-of-art equipment from abroad; Expanded capacity to 32.2 mm sq. meters with 9 production lines

Awarded Asia's 500 Most Influential Brands of 2010



Listed on NASDAQ (CCCL) in November 2010



Acquired new facility in Gao'an on Nov 09; Plan to add 42 mm sq. meters of capacity after construction



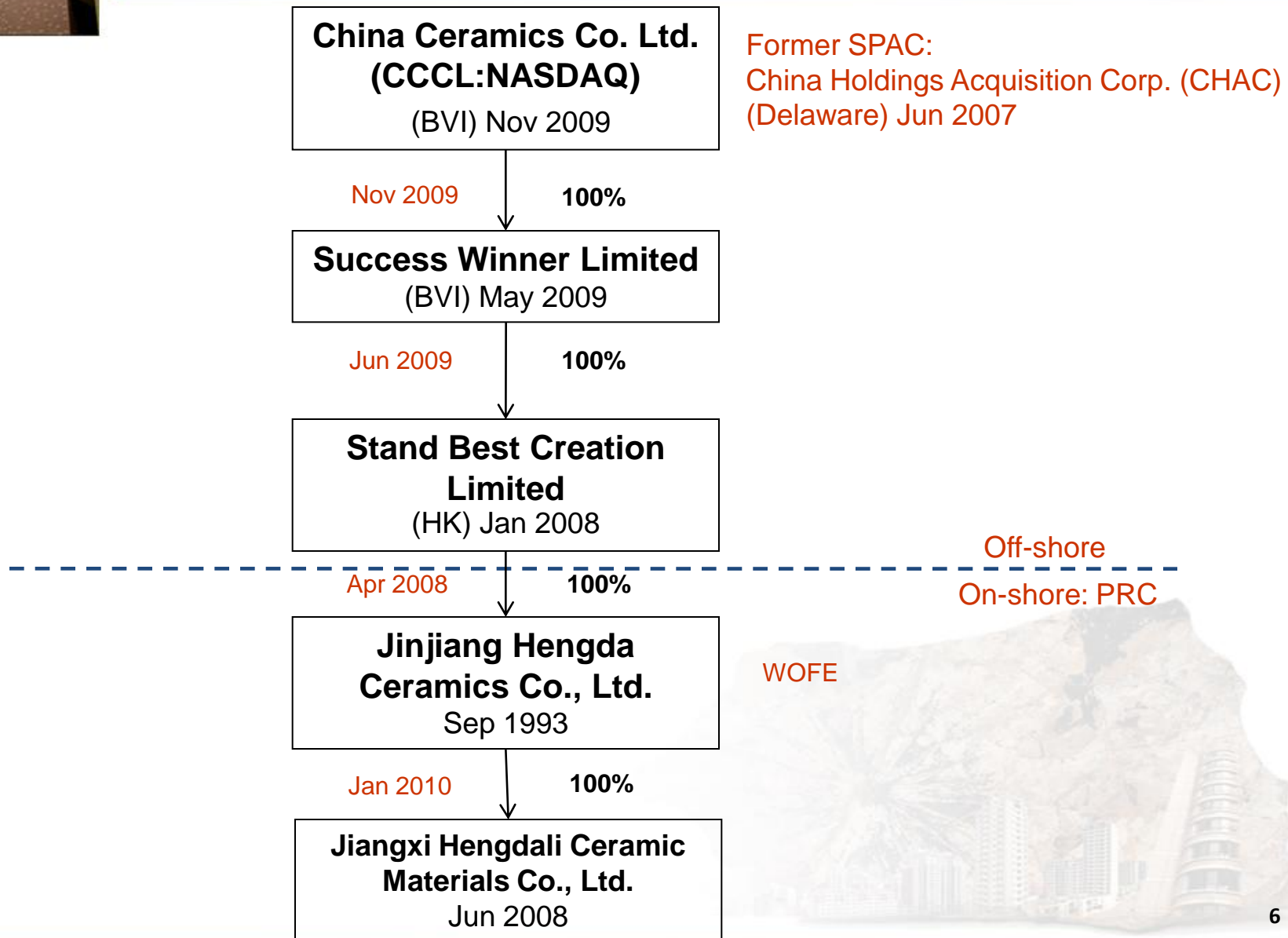
Owens 4 patents with right to use 11 more; Continuously focusing on R&D for environmental friendly products



Completed merger with SPAC (CHAC) in November 2009



Corporate Structure





Investment Highlights

- ❖ Prominent manufacturer of exterior ceramic tiles with meaningful market share
- ❖ Construction materials industry benefits from urbanization trend
- ❖ Favorable government policies to stimulate demand, especially in Tier II & III cities
- ❖ Visible brand known for quality and innovation
- ❖ Location which is optimal for supplier network
- ❖ Sales both abroad and nationally through exclusive distribution agents
- ❖ Timely capacity expansion underway



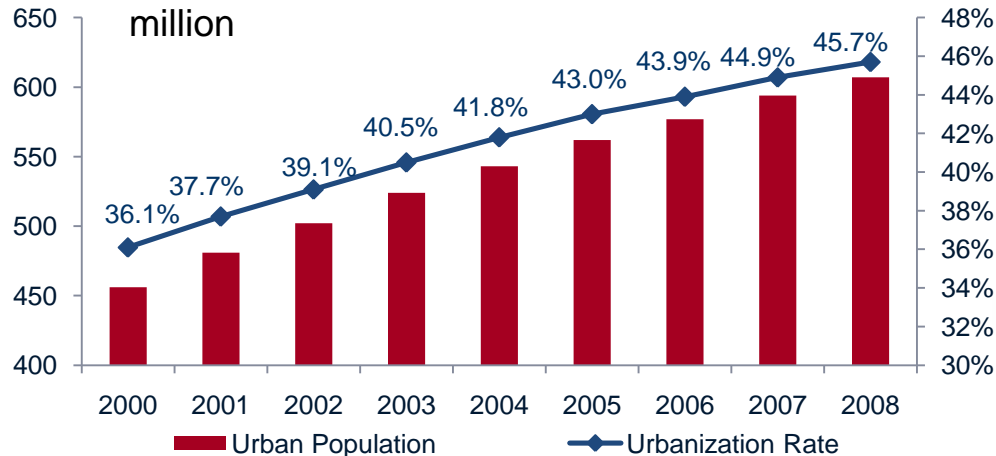


Chinese Urbanization Provides Underpinning to Real-Estate Construction China

Outdoor ceramic tile market correlated to:

- Total urban population reached 622 million in 2009 as compared to 450 million in 2001
- Tier I cities are expected to account for only 10% of China's commercial real estate activities by 2020, which highlights the significant development opportunities in Tier II and Tier III cities, according to Jones Lang LaSalle

Urbanization Trend in China



% of Population Urbanized by Country

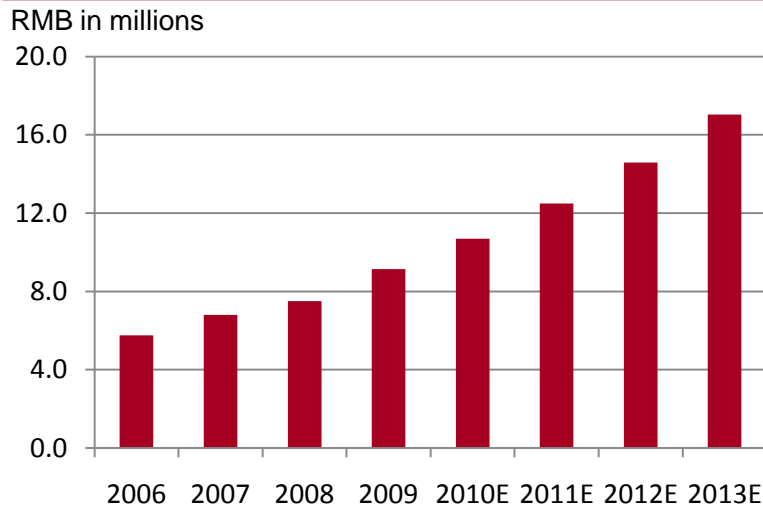
Country	% of Population Urbanized
Indonesia	50.3%
Malaysia	69.4%
Russia	72.9%
US	81.4%
UK	89.9%



Proactive Government Policy Support and Market Growth

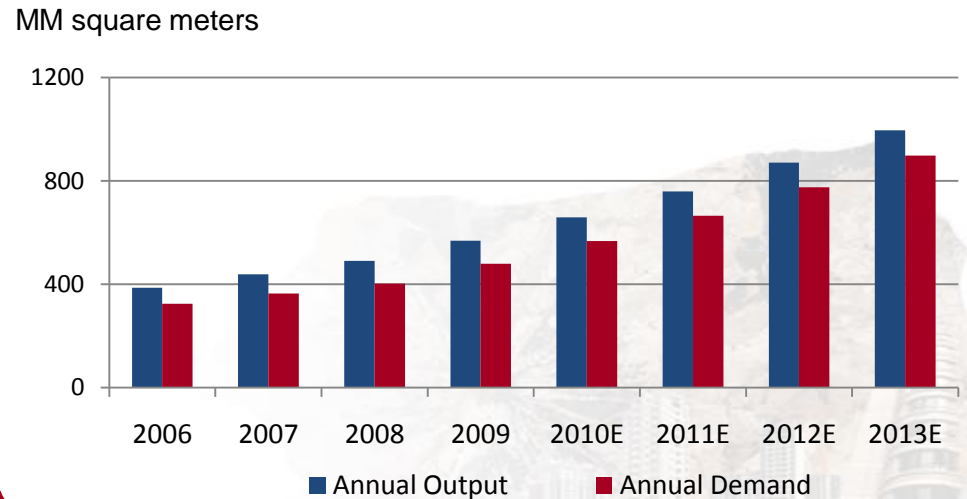
- **Stimulus** - Benefit from China's US\$585 billion economic stimulus plan to emphasize real estate development
- **Low-income housing** - ~77% of the new land supply announced in April 2010 by the Ministry of Lands and Resettlement (MLR) was earmarked for low-income housing mainly in Tier II and III cities with \$9.2 billion financial support from central government

Sales



Source: CMMC

Real Estate Supply & Demand





Key Market Trends

- **Beneficiary of long-term sustainable PRC urbanization trend**
- **Product trend** – Such new products as “Green”, lighter, heat insulating and noise-reduction outdoor ceramic tiles will be introduced
- **Potential of Tier II and III cities**
 - Much of the growth in China’s GDP is being driven by economic activity in Tier II and Tier III cities
 - According to Jones Lang LaSalle, Tier I cities will account for only 10% of China’s commercial real estate activities by 2020
- **Importance of distributors**
 - Currently, China’s outdoor ceramic tile industry relies heavily on distributors with roughly 73% of total sales made through distribution
 - As the competition intensified, more manufactures will bid for large construction projects in an attempt to sell products to real estate developers directly
- **Narrowing of quality gap between the best PRC manufacturers and international players with continuous improvement in production**



Competitive Landscape

- China's outdoor ceramics tile industry is highly fragmented with hundreds of manufacturers
- More than 200 manufacturers are located in Jinjiang, with a combined annual production volume of 70% of China's total production volume
- Others are mainly located in Foshan, Zibo, Linyi, Dehua and Jiajiang, specializing in manufacturing interior wall and floor ceramic tiles
- Major domestic competitors includes:
 - White Rabbit Ceramics
 - Jinjiang Tengda Ceramics Co.
 - Fujian Jinjiang Xielong Ceramics Co.





Comprehensive Product Suite

The company has over 2,000 color and size combinations

Rustic
5% of Sales



Porcelain
76% of Sales



Glazed
10% of Sales



Ultra Thin
4% of Sales



Glazed Porcelain
5% of Sales

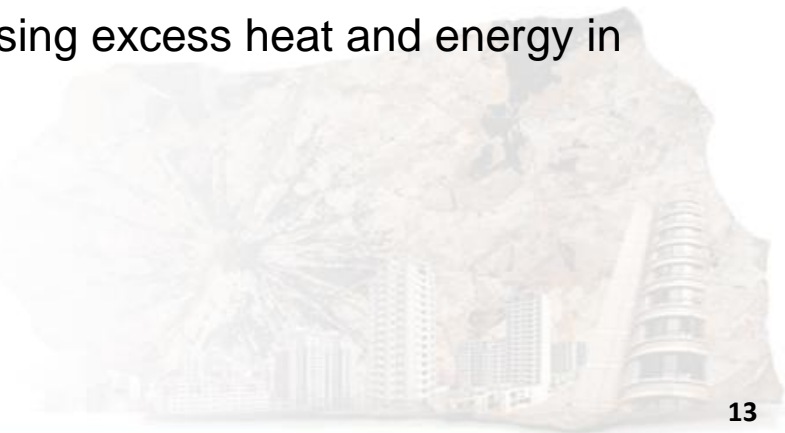


Wide array of standardized and made-to-order products



Research & Development

- Own 4 utility model patents and have exclusive right to use 11 design patents
- Awarded Asia's 500 Most Influential Brands of 2010
- Awarded a “High-tech Enterprise Certificate” in 2007 from Fujian Provincial Department of Science and Technology
- 85 person R&D team developed over 2,000 types of different product combinations
- Focus on environmentally friendly products like ultra thin, light weight tiles
- Developed the energy recycling system for re-using excess heat and energy in production to save up to 20% of cost





Production Process

Raw Material Inspecting



Mixing & Grinding



Spray Drying



Firing



Glazing

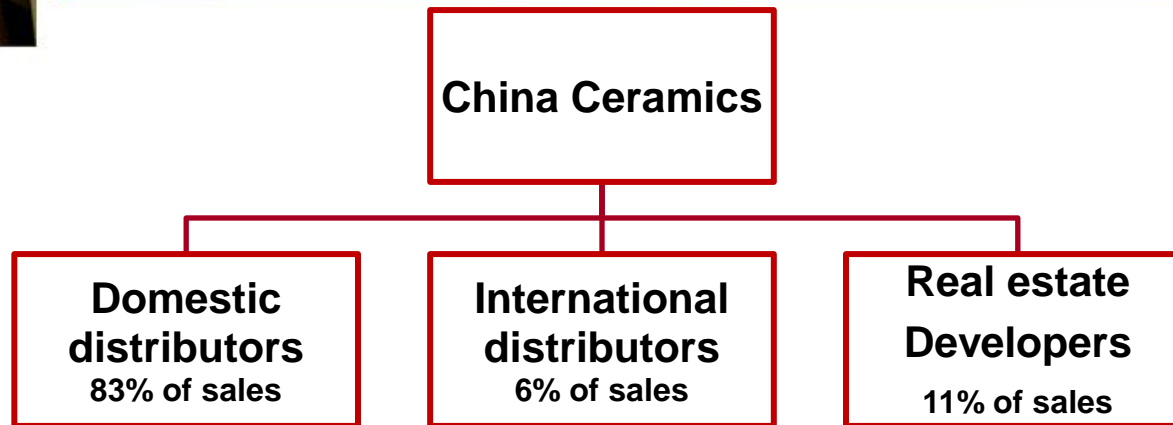


Molding





Established and Loyal Customer Base



- Sell ~89% of products to 40 exclusive distributors domestically and 6 internationally
- Other 11% sold directly to larger real estate developers through own sales force
- Over 10 years' cooperation with top 10 clients, who represented 43% of sales in 2009
- Sales in Tier II and III cities account for over 90% of sales





Sales Process



- Our sales people correspond with 40 exclusive distributors in different regions and do the direct sales
- Good communication between our sales force and distributors to avoid sales overlapping
- Distributors make monthly reports on customer requirements
- Provide installation instructions and collect after-sales feedback by our sales force

We typically book sales within 2-3 months of delivery



Selected Hengda Projects

Chengdu Kanjun Garden



210,000 sq. meters

China Resources Land Limited Lanxi Town



100,000 sq. meters

The 11th National Games Village



95,000 sq. meters

Hangzhou Redbud Garden



53,000 sq. meters

Xiamen Blue Gulf Peninsula



133,000 sq. meters

Shenyang Institute of Aeronautical Engineering



97,000 sq. meters



Stable Supplier Base

- Clay and coal are 2 major raw materials, accounting for 47% of COGS
- Over 10 years' cooperation with key suppliers to ensure on-time supply and stable price
- All raw material inspected on delivery for quality control

Raw Material	% of COGS	# of Suppliers
Clay	27	9
Coal	20	6
Coloring	15	8
Glazing	4	4





Sustainable Gross Margins

- **Customized product** - Nearly all production is built to order for specific projects. Continuously focused on R&D to meet customers' demands
- **High quality product** - ISO certified and use international manufacturing equipment. Sell to customers who demand high quality (including a large Japanese construction company)
- **Brand** - Our “HD” and “Hengda” brands received the “Chinese Well-Known Mark” award and “Asia’s 500 Most Influential Brands 2010” award from the World Brand Laboratory
- **Scale** - One of the largest producers of exterior ceramic tiles in China and we are able to complete large orders for our customers. Our size enables us to enjoy certain economies of scale savings vs. our competitors
- **Energy efficiency** - Hengda and Hengdali production lines recover and/or reuse waste water, waste dust, exhaust and kiln after-heat. In 2008, this decreased our energy costs by 20% in our Hengda factory

We are able to sell our products at a 15-20% premium vs. our competitors



Capacity Expansion

Hengda facility

Update 4 production lines by 2010 and the other 5 by 2011

- Increase total capacity by 15% and 14% yoy to 32.2M and 36.8M sq. meters by 2011 and 2012 respectively

Hengdali facility

Complete 2nd Phase by 2010

- Add-in additional 14M sq. meters annual capacity

Complete 3rd Phase by 2011

- Add-in additional 18M sq. meters annual capacity

	2008	2009	2010	2011	2012
Hengda	28.0M	28.0M	28.0M	32.2M	36.8M
Hengdali	-	-	10.0M	24.0M	42.0M
OEM	1.6M	3.0M	3.5M	-	-
Total	29.6M	31.0M	41.5M	56.2M	78.8M

Our expansion plan will increase output by 104% in 2 years



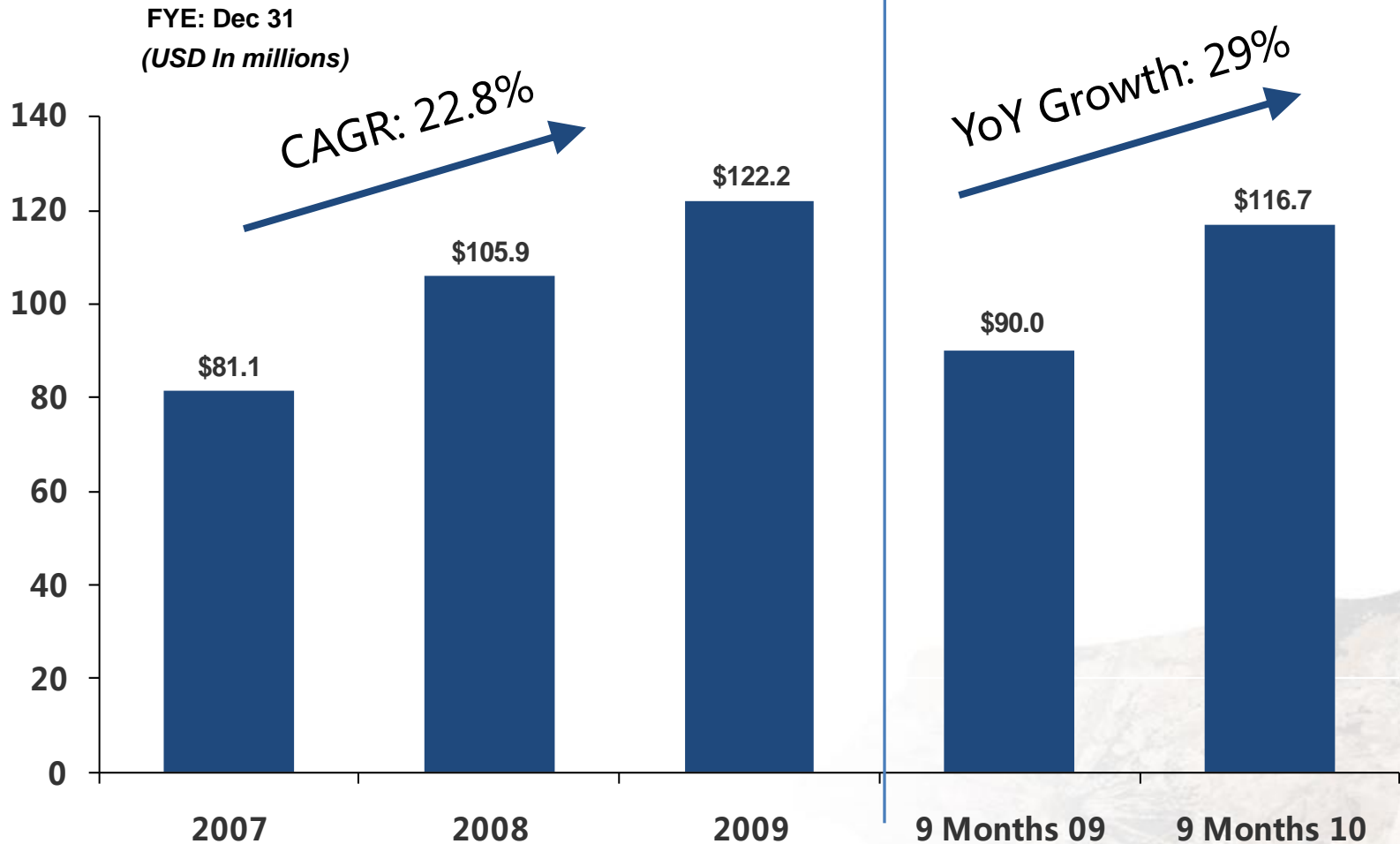
Growth Strategy

- Expand capacity at Hengda and Hengdali facility (reduce reliance on OEM contracts)
- Continue to broaden product suite through innovative R&D
- Broaden distribution network (domestic and international)
- Evaluate selective (horizontal) M&A opportunities

We will be well positioned to take advantage of competitive opportunities domestically and then abroad



Robust Revenue Growth



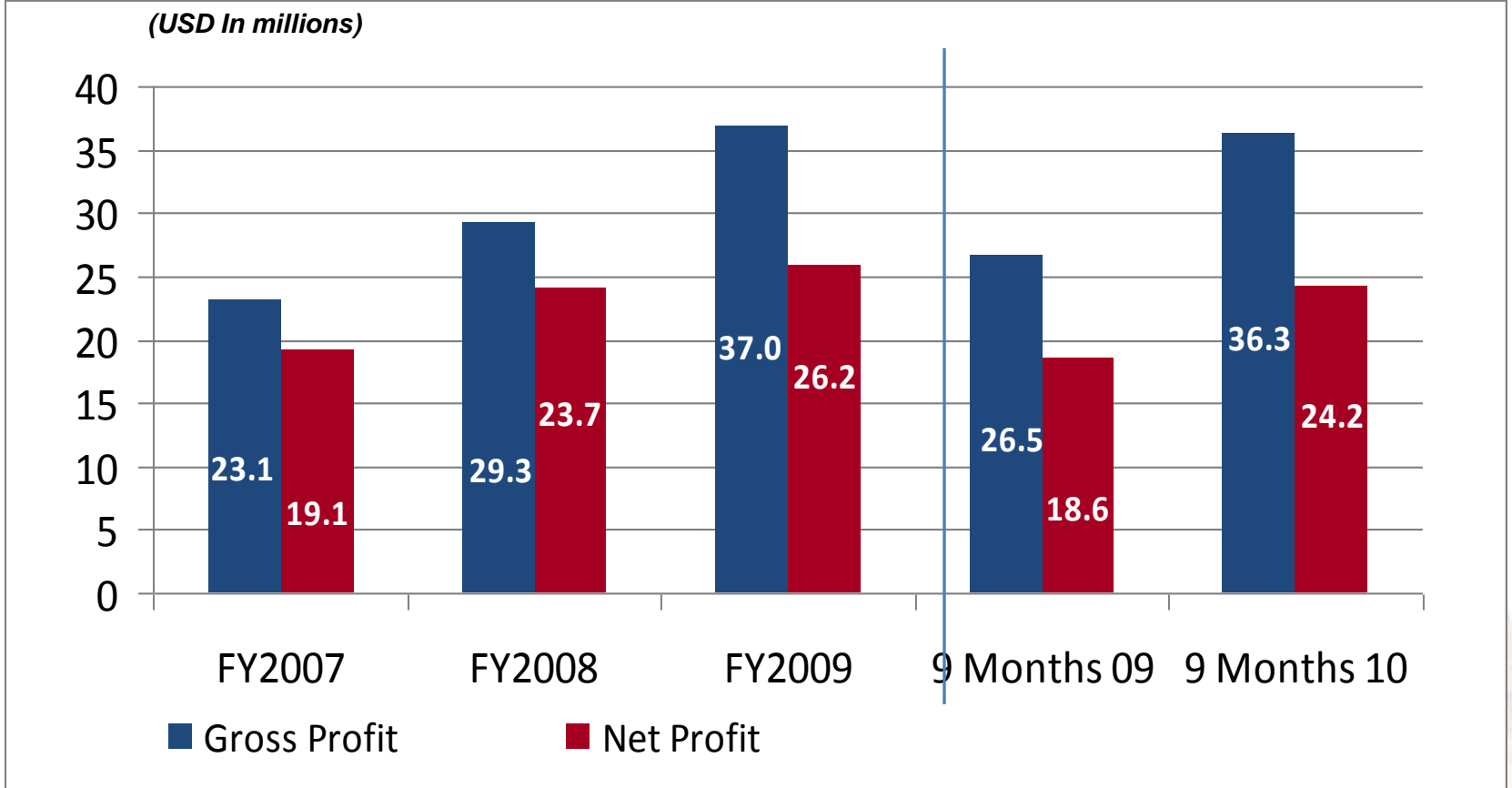
The average historical rates for translation of Renminbi into U.S. dollars were RMB 6.8409, RMB 6.9623, and RMB 7.6172 to US\$1.00 for the years ended December 31, 2009, 2008 and 2007, respectively. They were RMB6.8164 to USD\$1.00 for the nine months ended September 30, 2010.



Strong Financial Margins

FYE: Dec 31

(USD In millions)



Planned reduction in OEM outsourcing and increased capacity should improve margins

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FY 2009 excludes \$3.6 million in one-time transaction costs associated with going public in the U.S.



Balance Sheet

<i>(USD In millions)</i>	As of Dec 31		As of Sep 30
	2008	2009	2010
Cash	7.6	22.0	6.2
Debt	1.8	3.9	14.9
Total Working Capital	26.6	64.5	31.6
Shareholder's Equity	37.2	73.9	99.0
Days Sales Outstanding	93	102	109
Inventory Turnover	98	77	66



Management Earn-out Targets

- The maximum shares will be released if we achieve the net income target
- If the stock price reaches \$20 for 20 trading days within a 30 day period prior to April 30, 2012, 2 million shares will be issued; if the stock price trades at or above \$25, an additional 1 million shares will be issued
- Management achieved the net income target in 2009 and received 1,214,127 shares

	Net Income Target (US\$ in million)	Implied Growth	Maximum Shares Released
2009	22.3		1,214,127
2010	31.4	40.8%	1,794,800
2011	43.5	38.5%	2,176,836



Management Team

**Jiadong
Huang**
CEO

- › Founder of Jinjiang Hengda Ceramics Co., Ltd.
- › 20 years of experience in the China Ceramic Tile Industry
- › Vice chairman of Fujian Province Ceramic Industry Association

**Edmund
Hen**
CFO

- › Former CFO of a Sichuan switchgear manufacturer
- › Accountant of Dickson Concepts Ltd. from 2002 to 2005
- › Former auditor at Deloitte Touche Tohmatsu
- › Bachelor Degree from University of East Anglia, United Kingdom
- › Associate member of Institute of Chartered Accountants in England and Wales, and of Hong Kong Institute of Certified Public Accountants

**Peizhi
Su**
*Sales Deputy GM
& Director*

- › Over 10 years of experience in China Ceramics Tile Industry
- › Join the company in 1993 as Sales Vice General Manager

**Weifeng
Su**
*General legal
Counsel &
Secretary*

- › Lawyer at Fujian Minrong Law Firm from 2005 to 2007
- › Graduated from the School of Law of Xiamen University



Board of Directors

Paul K. Kelly
*Non-Executive
Chairman*

- Founder, President and CEO of Knox & Co. and Peers & Co., both international financial advisory firms focused on Asia
- Chairman and CEO of the Westgate Group, Inc., a strategic advisory firm focusing upon cross-border business opportunities for clients, with an emphasis on China and Asia

**Cheng Yan
Davis**

- Special advisor to the President of the Teacher's College of Columbia University and University of Pennsylvania
- Served as the Vice Dean of International Programs and Development at the University of Pennsylvania Graduate School of Education (GSE International)

**Ding Wei
Dong**

- Over 40 years of experience in the Building Material Industry
- President of China Building Ceramics and Sanitary ware Industry Association from 1997 to 2008
- Graduated from Nanjing University of Science and Technology

**Bill
Stulginsky**
*Audit Committee
Chairman*

- Over 36 years of experience in public accounting
- Worked and was a partner at PricewaterhouseCoopers for twenty-four years
- The Board of Directors of Fox Chase Cancer Center in Philadelphia and the Visiting Nurse Association of Greater Philadelphia



Summary

- ❖ Prominent manufacturer of exterior ceramic tiles with meaningful market share
- ❖ Construction materials industry benefits from urbanization trend
- ❖ Favorable government policies to stimulate demand, especially in Tier II & III cities
- ❖ Visible brand known for quality and innovation
- ❖ Location which is optimal for supplier network
- ❖ Sales both abroad and nationally through exclusive distribution agents
- ❖ Timely capacity expansion underway





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