

# Anta Sports



## Keep moving

### Key points:

- Market organic growth rate at 20.0 – 25.0% over the next five year.
- Leading domestic brand with expanding market share.
- Top line to rise at three-year CAGR of 33.2%.
- ASP improvement to translate into margin expansion.
- Expect net profit to surge at 37.0% each year till FY12/10F.
- BUY with initial target price of HK\$7.81.

### Industry overview

**Strong momentum.** According to Frost & Sullivan, per capita sportswear expenditure in the PRC was US\$3 in 2006, which was 18 in Singapore, 56 in Japan and 99 in Korea, revealing ample upside potential for China's sportswear market. Market research firms predict, buoyed by the local rising living standard, this market will grow at 20.0 – 25.0% each year for the next five years.

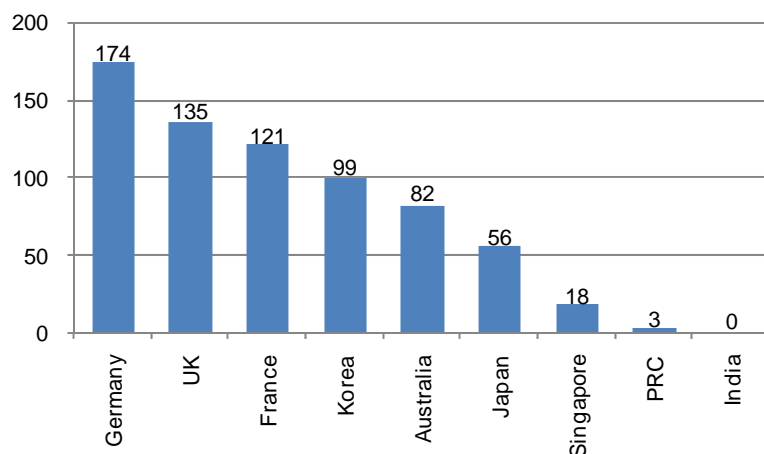
**Table 1: China's sportswear market**

Research firms	03A	04A	05A	06A	07F	08F
ZOU (RMBbn)	16.0	20.0	26.0	33.0	41.0	49.0
Euromonitor (RMBbn)	20.0	23.0	27.1	32.8	40.7*	52.1
Frost & Sullivan (US\$bn)	2.0	2.5	3.2	3.8	4.5	6.0
					<b>Forecasted</b>	<b>Forecasted</b>
	<b>09F</b>	<b>10F</b>	<b>11F</b>	<b>12F</b>	<b>13F</b>	<b>CAGR (%)</b>
	59.0	71.0	86.0	103.0	124.0	20.3
	66.7	84.0	105.0	131.2		26.4
	7.2	8.7	10.4			23.3

Source: ZOU, Euromonitor, Frost & Sullivan

Note: \* actual number

**Chart 1: Per capita sportswear expenditure in different country (US\$)**



Source: Frost & Sullivan

**BUY**  
(initiating coverage)

**China Consumer**

Thu, 17 Jul 2008

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### Stock data

Price	<b>HK\$5.84</b>
Target price	HK\$7.81 (+34%)
12 mth range	HK\$5.30-12.20
Market cap.	US\$1,868.9m
Daily t/o, 3 mth	US\$3.1m
Free float %	27.7%
Ticker	2020.HK/2020 HK

### Financial summary

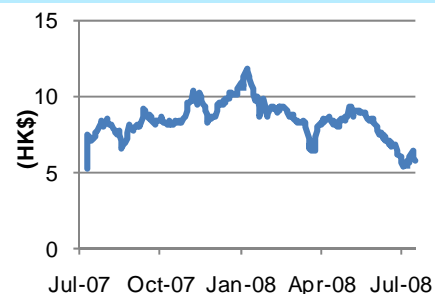
Year to Dec	06A	07A	08F	09F	10F
Turnover (RMBm)	1,250.13	1,825.54	717.85	942.37	526.0
Net Profit (RMBm)	147.4	537.8	785.51	1,081.41	1,384.4
EPS (RMB)	0.082	0.253	0.315	0.434	0.556
EPS Δ%	203.3	208.4	24.9	37.7	28.0
P/E (x)	64.8	21.0	16.8	12.2	9.5
P/B (x)	40.17	3.18	2.78	2.48	2.20
EV/EBITDA (x)	82.3	20.4	11.8	8.0	5.8
Yield (%)	-	1.4	3.8	5.3	6.8
ROE (%)	84.5	24.5	17.6	21.4	24.4
ROCE (%)	73.7	21.3	18.1	23.4	28.0
N. Gear. (%)	Cash	Cash	Cash	Cash	Cash

### Price Performance

	1 mth	3 mth	12 mth
Relative to HSI (%)	-10.4	-20.7	-12.4
Actual price changes (%)	-17.4	-29.6	-19.0

	08F	09F	10F
Consensus EPS (RMB)	0.297	0.439	0.548

### Price Chart



**Individual performance.** We estimate that aggregate retail sales of seven sportswear companies (Lining, Anta, Xtep, XDLong, China Dongxiang, Belle, Prime Success and Pou Sheng) surged 74.1% and 92.2%, respectively, in 2006 and 2007, which proves the strong market momentum while suggesting that the industry is under consolidation and leading brands are taking market share from smaller ones.

**Table 2: Major sportswear companies' sales performance**

Company	Major brands	Year end	Currency (m)	Reported turnover			
				05A	06A	07A	2-Year CAGR (%)
Lining	Lining	Dec	RMB	2,450.5	3,180.5	4,348.7	33.2
Anta	Anta	Dec	RMB	670.3	1,250.1	3,182.5	117.9
Xtep	Xtep	Dec	RMB	70.3	197.6	1,259.1	323.1
XDLong	Xdlong	Dec	RMB	301.6	687.6	1,296.4	107.3
China Dongxiang	Kappa	Dec	RMB	144.6	839.3	1,650.9	237.9
Belle*	Nike, Adidas, Reebok, Lining, Kappa, Puma, Mizuno, Levi's	Dec	RMB		1,576.8	5,457.3	246.1
Prime success	Adidas	Dec	HK\$	37.7	193.8	284.1	174.3
	Nike, Adidas, Li Ning, Kappa, Reebok, Puma, Converse, Hush Puppies, Nautica,						
Pou Sheng	Wolverine and Asics	Sep	US\$	186.4	328.2	488.4	61.9%

	Currency (m)	Est. retail sales**			
		05A	06A	07A	2-Year CAGR (%)
Lining	RMB	3,756.1	4,890.0	6,934.7	35.9
Anta	RMB	1,308.0	2,439.3	6,107.4	116.1
Xtep	RMB	140.7	395.2	2,518.3	323.1
XDLong	RMB	603.1	1,375.1	2,592.8	107.3
China Dongxiang	RMB	245.8	1,426.8	2,806.5	237.9
Belle*	RMB	0.0	1,419.1	4,911.6	246.1
Prime success	RMB	36.0	183.0	260.9	169.0
Pou Sheng	RMB	897.2	1,455.0	2,156.6	55.0
Aggregate	RMB	6,986.9	13,583.5	28,288.8	101.2
Aggregate excl. Belle	RMB	6,986.9	12,164.5	23,377.2	82.9

Source: Companies data, SBI E2-Capital

Note: \* Belle acquired sportswear retail business in Jun 2006.

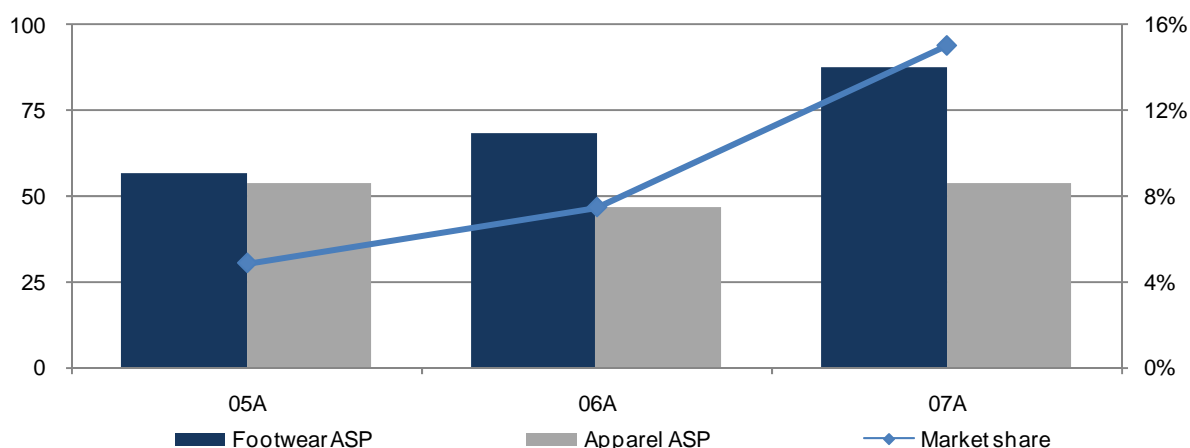
\*\* Assume wholesale price is 40.0 - 60.0 % of nominal retail price and actual selling price is 80.0 - 90.0% of nominal retail price after considering promotion activities.

## Company summary

**Background.** Established in 1994, Anta is a leading domestic sportswear brand in China, targeting at the mass market. In 2007, the company ranked No.4 in China sportswear market, following Nike, Adidas and Lining. Net profit increased over three folds in FY12/07A to RMB537.8m while turnover surged 154.6% to RMB3,182.5m.

**Growing brand.** Thanks to the continuous effort on brand building, Anta has been able to improve its ASP (footwear from RMB47.5 per pair in FY12/04A to RMB88.0 in FY12/07A) and market share (from 2.2% in FY12/04A to 11.7% in FY12/07A) steadily in the past three years. Given that the company's quality products and abundant marketing resources, we expect it to further expand its brand acceptance as well as market occupancy.

Chart 2: Anta's market share and ASP (RMB)



Source: Company data, Euromonitor,, SBI E2-Capital

Note: according to the management, the ASP drop of apparels in FY12/06A was a result of sales mix change. With strong growth in Guangdong province, the

Table 3: Anta's main marketing resources

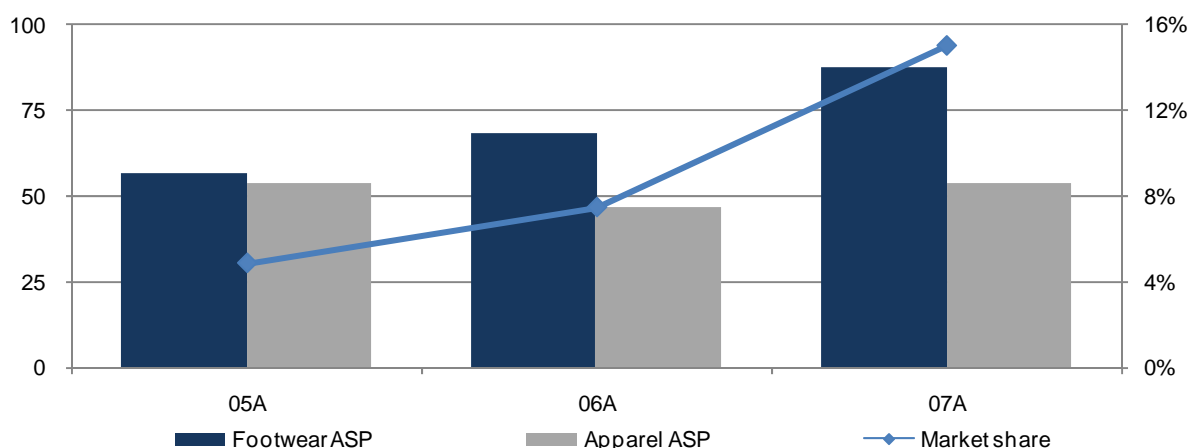
Sports events	Activities / sponsorship
Olympic Games	Launched "I Believe" promotional activities
CBA	Designated business partner for equipment (2004 - 2007) 7-year equipment sponsorship contract (2006 - 2012)
China Table Tennis Super League	Sole equipment sponsor (2005 - 2008)
China National Volleyball League / Grand Prize	Sole equipment sponsor (2003 - 2006)
Cup / Championship Cup	Title sponsor (2007 - 2009)
Dalian International Marathon	Sole equipment sponsor (2008)
NBA	Strategic alliance partner of Huston Rocket

Source: Company data

**Top line growth.** The company guided its top-line growth at around 50.0% for FY12/08F. In our forecast, its turnover will rise 48.2% in FY12/08F to RMB 4,717.8m. Our considerations include:

- The company wholesales footwear, apparels and accessories to countrywide distributors (most exclusive). Total number of stores operated by these distributors was 4,716 at end-2007 and increased to 5,100 in May 2008. We expect this number to reach 5,400 by the end of this year.
- Anta encourages its distributors to open large stores to obtain better operating efficiency and brand image. The average sales area size per store increased from 80.0sqm in FY12/06A to 92.0sqm in FY12/07A and further to 94.4sqm in 1Q FY12/08A.
- The management forecasts ASP to increase 8.0 – 10.0% this year. In the future, we expect ASP to keep moving up to reflect strengthening brand image and rising local consumption.
- Ex-factory price Anta charges on its distributors is around 41.5 – 43.0% of the suggested retail price. With enlarging bargaining power along with the improving brand reputation, the company might be able to raise the ex-factory price slightly, In our view.
- We also expect per sqm sales volume to improve gradually, which, together with increase in ASP, will boost Anta's per store sales (wholesale value) from RMB0.7m in FY12/07A to RMB1.2m in FY12/10F (or retail value: RMB1.4m to RMB2.3m).
- In May 2008, the company announced to dispose all interest in Shanghai Fengxian to an independent third party for RMB187.4m. Shanghai Fengxian, incorporated in 2006, is responsible for distribution of international sportswear brands. It generated RMB193.7m turnover and RMB5.5m operating loss in FY12/07A. We take the move as a signal that Anta will concentrate on self-brand wholesale operation in the future.

Chart 3: Annual per store sales of different sportswear companies (RMBm)



Source: Companies data, SBI E2-Capital

Note: Assume wholesale price is 40.0 - 60.0 % of nominal retail price and actual selling price is 80.0 - 90.0% of nominal retail price after considering potential promotional selling.

Table 3: Sales forecast

Year to Dec	06A	07A	08F	09F	10F
Number of stores	4,108	4,716*	5,400	6,000	6,600
Sales area size (sqm)	328,530	433,843	509,608	578,231	649,254
Average size per store (sqm)	80.0	92.0	94.4	96.4	98.4
Sales volume per sqm					
Footwear	0.0	47.9	55.1	60.6	66.7
Apparels	0.0	61.9	68.0	71.4	75.0
ASP (RMB)					
Footwear	68.2	88.0	96.8	101.6	106.7
Apparels	46.6	53.6	57.9	59.0	60.2
Sales of Anta brand	1,250.1	2,988.7	4,586.1	5,942.3	7,526.0
Footwear	797.7	1,606.7	2,515.2	3,349.7	4,365.5
Apparels	409.9	1,263.4	1,857.4	2,293.7	2,771.9
Accessories	42.5	118.6	213.5	298.9	388.5
Sales of international brands	193.7	131.7			
Total turnover	1,250.1	3,182.4	4,717.8	5,942.3	7,526.0

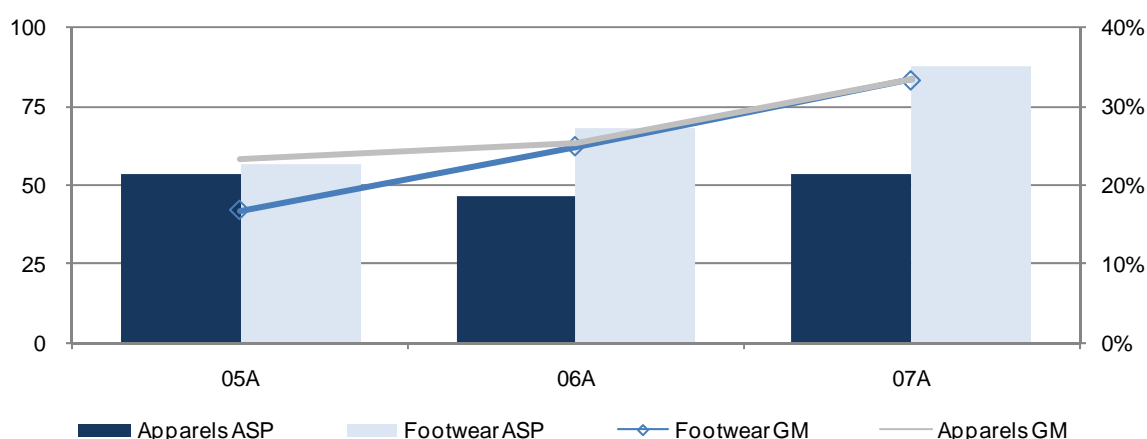
Source: Company data, SBI E2-Capital

Note: exclude 172 direct-managed stores for distribution of international brands.

**Manufacturing facilities.** Anta owns manufacturing facilities in Fujian province (Jinjiang, Xiamen and Changting). Output in FY12/07A was 11.4m pairs of footwear, representing 62.5% of the shipment volume during the same period. The company plans to add 12 footwear production lines this year, bringing the total number to 27. Nevertheless, according to our discussion with the management, capacity expansion may not be able to catch sales growth. Hence we expect increasing outsourcing in the next three years. For apparels, the company started self-production in 2007 with an output of 1.0m pieces (4.3% of total sales volume). It intends to self-produce around 20.0% of apparels in the future as an intension to boost operating flexibility.

**Gross margin expansion.** The company expects the enlarging economies of scale to bring down unit costs such as fixed cost and commission paid to sub-contractors, which will soften costs pressure from raw materials and direct labor. Hence the increase in ASP can largely transfer into gross profit. Also considering the adverse impact from rising outsourcing (unit cost of outsourcing product is around 6.0 – 8.0% higher than which of self-produced one), we estimate blended gross margin will widen 4.4pcp in FY12/08F to 37.6%.

Chart 4: Anta's ASP and Gross margin (ASP: RMB)



Source: Companies data, SBI E2-Capital

**Marketing campaign.** A 1.5-year integrated marketing campaign has commenced in 2007 to capitalize on the public awareness for the coming Beijing Olympic Games. Hence, marketing expenses will likely increase substantially this year.

**Tax expenses.** Effective tax rate rose from 0.4% in FY12/06A to 10.2% in FY12/07 due to expiration of preferential tax treatment. The company guided 11.0 – 12.0% effective tax rate for FY12/08F. We expect this rate to rise gradually and reach 25.0% finally by FY12/14F.

**Earnings forecast.** Overall we forecast Anta's net profit will grow at a CAGR of 37.0% from FY12/07A (RMB537.8m) to FY12/10F (RMB1,384.4m). Meanwhile EPS will increase from RMB0.253 to RMB0.556, representing a CAGR of 30.1%.

Table 4: Earnings forecast

Year to Dec (RMBm)	06A	07A	08F	09F	10F
Revenue	1,250.1	3,182.5	4,717.8	5,942.3	7,526.0
Anta brand	1,250.1	2,988.7	4,586.1	5,942.3	7,526.0
International brands	0.0	193.7	131.7	0.0	0.0
COGS	(936.9)	(2,127.2)	(2,945.9)	(3,620.7)	(4,494.0)
Gross profit	313.2	1,055.3	1,771.9	2,321.6	3,032.0
Other revenue	2.0	137.8	92.1	97.1	105.1
Other net (loss) / income	0.5	(1.6)	0.0	0.0	0.0
Selling and distribution expenses	(132.3)	(476.1)	(800.2)	(948.5)	(1,201.3)
Administrative expenses	(35.3)	(114.5)	(171.2)	(198.0)	(247.6)
Profit from operations	148.3	600.9	892.6	1,272.2	1,688.2
Finance costs	(0.3)	(1.7)	0.0	0.0	0.0
Profit before tax	148.0	599.1	892.6	1,272.2	1,688.2
Tax	(0.6)	(61.3)	(107.1)	(190.8)	(303.9)
Net profit	147.4	537.8	785.5	1,081.4	1,384.4
% of total turnover					
Gross profit	25.1	33.2	37.6	39.1	40.3
Selling and distribution expenses	(10.6)	(15.0)	(17.0)	(16.0)	(16.0)
Administrative expenses	(2.8)	(3.6)	(3.6)	(3.3)	(3.3)
Profit from operations	11.9	18.9	18.9	21.4	22.4
Net profit	11.8	16.9	16.6	18.2	18.4
Effective tax rate (%)	0.4	10.2	12.0	15.0	18.0

Source: Company data, SBI E2-Capital

**Use of cash.** The company had RMB3,231.5m cash (nil debt) at the end of FY12/07A. Total capex for the three-year period from FY12/08F to FY12/10F is projected to be RMB491.4m. Marketing expenses will be well covered by operating income. Hence we expect the company to raise its dividend payout ratio (33.8% in FY12/07A). In addition, the management mentioned about possible acquisition of overseas sportswear brand to enrich its product portfolio.

**Valuation and recommendation.** We employ DCF method to derive the company's fair value. We assume the entire sports industry in China will grow at 25.0% each year till 2013 and then decelerate to 10.0% for another three years before reaching 3.0% long-term growth rate. For Anta, we expect it to grow in line with the market after FY12/10F. By adopting a discount rate of 12.4% (4.4% risk-free interest rate plus 8.0% risk premium), we calculate the fair value at RMB7.1 per share. Accordingly we recommend BUY call for the counter with a target price at HK\$7.81, which represents 22.5x one-year forward P/E.

**Table 5: DCF calculation**

Risk premium	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
Risk-free interest rate	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Discount rate	10.4%	10.9%	11.4%	11.9%	12.4%	12.9%	13.4%	13.9%	14.4%
Fair value per share (RMB)	9.2	8.6	8.0	7.5	7.1	6.7	6.3	6.0	5.7

Source: SBI E2-Capital

**Table 6: Peers comparison**

Company name	Ticker	Fiscal Year end	Mkt Cap (US\$m)	His P/E(x)	Curr-Yr Fwd P/E(x)	Nxt-Yr Fwd P/E(x)	ROE (%)
Anta	2020 HK	12/2007	1,868.9	20.2	-	-	24.5
Xtep	1368 HK	12/2007	808.6	16.5	11.9	8.1	95.0
Li Ning	2331 HK	12/2007	2,452.0	35.0	25.1	18.5	30.1
Pou Sheng	3813 HK	09/2007	862.0	10.0	5.9	10.0	36.5
China Dongxiang	3818 HK	12/2007	2,137.3	16.1	15.7	12.2	23.6
Nike	NKE US	05/2008	28,399.8	16.3	14.7	13.1	25.4
Adidas	ADS GR	12/2007	4,462.0	12.2	11.7	9.7	18.8

Source: Bloomberg

**Risks.** We think some major risks to influence Anta's operation including:

- ❑ Macro environment: factors like unexpected slowdown of China's economy growth or extreme inflation will hurt consumption, consequently dragging down demand for sportswear.
- ❑ Dependence on external distributors: losing a substantial distributor will affect the company's sales in short term.
- ❑ Production capacity: failure in expanding capacity or sourcing from external suppliers will curb the company's growth.

Table 7: Comparison of domestic sportswear brands (2007)

	Anta (2020 HK)	XDLong	Xtep (1368 HK)	Li Ning (2331 HK)	China Dongxiang (3818 HK)
Market cap. (US\$m)					
Time of being listed	Jun-07	Jun-08	May-08	Jun-04	Oct-07
Headquarter location	Jinjiang, Fujian	Jinjiang, Fujian	Quanzhou, Fujian	Beijing	Beijing
Brand names	Anta, Adidas, Reebok, Kappa	XDLong	Xtep, Disney Sport, Koling	Li Ning, Z-Do, AIGLE, DHS	Kappa, Rukka
Business model	Wholesale	Wholesale	Wholesale, OEM	Wholesale, retail	Wholesale, international sourcing
Number of outlets					
Direct-managed	172*			375	
Others	4,716	2,519	4,647	5,301	1,977
Total	4,888	2,519	4,647	5,676	1,977
ASP (RMB)					
Footwear	88.0	65.3	75.3	143.0	163.8
Apparel	53.6	45.5	52.2	85.3	150.1
Turnover (RMBm)	3,182.4	1,296.4	1,364.9	4,348.7	1,711.0
Gross profit (RMBm)	1,055.3	336.9	443.1	2,082.8	1,000.6
Operating profit (RMBm)	600.9	157.9	269.4	609.9	724.7
Net profit (RMBm)	537.8	134.8	221.9	473.6	733.6
Turnover growth (%)	154.6	88.5	182.3	36.7	99.2
Net profit growth (%)	264.8	98.7	343.1	60.6	139.4
Gross margin (%)	33.2	26.0	32.5	47.9	58.5
Operating margin (%)	18.9	12.2	19.7	14.0	42.4
Net margin (%)	16.9	10.4	16.3	10.9	42.9

Source: SBI E2-Capital

Note: \* for distribution of international brands. Anta announced to dispose this business segment in May 2008.

<b>P &amp; L (RMBm)</b>	<b>06A</b>	<b>07A</b>	<b>08F</b>	<b>09F</b>	<b>10F</b>
<b>Year to Dec</b>					
Turnover	1,250.1	3,182.5	4,717.8	5,942.3	7,526.0
% chg	86.5	154.6	48.2	26.0	26.7
Gross profit	313.2	1,055.3	1,771.9	2,321.6	3,032.0
EBITDA	159.2	503.4	849.8	1,232.2	1,653.0
Depre./amort.	(12.2)	(29.8)	(42.2)	(49.9)	(62.8)
EBIT	147.0	473.6	807.6	1,182.2	1,590.2
Net int. income/(exp.)	1.0	125.5	85.0	90.0	98.0
Exceptionals					
Associates					
Jointly-controlled entit.					
Pre-tax profit	148.0	599.1	892.6	1,272.2	1,688.2
Tax	(0.6)	(61.3)	(107.1)	(190.8)	(303.9)
Minority interests					
Net profit	147.4	537.8	785.5	1,081.4	1,384.4
% chg	206.9	264.8	46.1	37.7	28.0
Dividends	(22.9)	(181.9)	(498.0)	(701.7)	(905.5)
Retained earnings	124.6	355.9	287.5	379.7	478.9
EPS (RMB) - Basic	0.082	0.253	0.315	0.434	0.556
EPS (RMB) - F.D.	0.082	0.252	0.315	0.434	0.555
DPS (HK\$)		0.080	0.220	0.310	0.400
No. sh.s o/s (m) - W.A.	1,800.0	2,129.3	2,490.0	2,490.0	2,490.0
No. sh.s o/s (m) - Y.E.	1,800.0	2,490.0	2,490.0	2,490.0	2,490.0
No. sh.s o/s (m) - F.D.		2,133.2	2,493.9	2,493.9	2,493.9
<b>Margins (%)</b>					
Gross	25.1	33.2	37.6	39.1	40.3
EBITDA	12.7	15.8	18.0	20.7	22.0
EBIT	7.0	14.9	17.1	19.9	21.1
Pre-tax	11.8	18.8	18.9	21.4	22.4
Net	11.8	16.9	16.6	18.2	18.4
<b>Balance Sheet (RMBm)</b>					
<b>Year to Dec</b>					
Fixed assets	160.8	328.4	421.3	549.6	652.4
Intangible assets	3.6	4.2	3.9	3.5	3.2
Other LT assets	100.8	162.1	138.8	151.9	145.4
Cash	181.2	3,233.1	3,485.5	3,725.0	4,049.7
Accounts receivable	202.1	467.7	693.4	873.4	1,106.1
Other receivables					
Inventories	154.5	434.8	644.5	811.8	1,028.2
Due from related co.s	52.2	0.3	0.3	0.3	0.3
Other current assets	1.2	0.0	0.0	0.0	0.0
Total assets	856.4	4,630.7	5,387.7	6,115.6	6,985.3
Accounts payable	(325.1)	(455.7)	(631.1)	(775.7)	(962.8)
Other payable					
Tax payable					
Due to related co.s	(1.6)	(1.5)	(1.5)	(1.5)	(1.5)
ST debts	(50.0)	0.0	0.0	0.0	0.0
Other current liab.	(241.8)	(22.9)	0.0	0.0	0.0
LT debts					
Other LT liabilities	0.0	0.0	0.0	0.0	0.0
Total liabilities	(618.4)	(480.0)	(632.6)	(777.1)	(964.3)
Share capital	51.2	241.7	249.0	249.0	249.0
Reserves	186.7	3,909.0	4,506.1	5,089.5	5,772.1
Shareholders' funds	237.9	4,150.7	4,755.1	5,338.5	6,021.1
Minority interest					
Total	237.9	4,150.7	4,755.1	5,338.5	6,021.1
Capital employed	287.9	4,150.7	4,755.1	5,338.5	6,021.1
Net (debt)/cash	131.2	3,233.1	3,485.5	3,725.0	4,049.7
<b>Cash Flow (RMBm)</b>					
<b>Year to Dec</b>					
EBIT	147.0	473.6	807.6	1,182.2	1,590.2
Depre./amort.	12.2	29.8	42.2	49.9	62.8
Net int. paid	1.0	125.5	85.0	90.0	98.0
Tax paid	(1.0)	(38.5)	(130.0)	(190.8)	(303.9)
Dividends received					
Gross cashflow	159.3	590.4	804.8	1,131.3	1,447.1
Chgs. in working cap.	(2.7)	(335.6)	(235.8)	(202.7)	(262.0)
Operating cashflow	156.5	254.8	569.0	928.6	1,185.1
Capex	(83.4)	(264.4)	(141.6)	(191.0)	(158.7)
Free cashflow	73.1	(9.5)	427.5	737.6	1,026.4
Dividends paid	(1.6)	(21.3)	(181.1)	(498.0)	(701.7)
Net distribution to MI					
Investments	(1.2)	0.0	0.0	0.0	0.0
Disposals	1.1	0.1	6.0	0.0	0.0
New shares	0.0	3,371.5	0.0	0.0	0.0
Others	(11.6)	(238.9)	0.0	0.0	0.0
Net cashflow	59.8	3,101.9	252.4	239.6	324.6
Net (debt)/cash - Beg.	71.4	131.2	3,233.1	3,485.5	3,725.0
Net (debt)/cash - End.	131.2	3,233.1	3,485.5	3,725.0	4,049.7
<b>Interim Results (RMBm)</b>					
<b>Six months to Jun</b>					
Turnover	494.2	1,497.7			
% chg		203.1			
Profit from operations	53.7	234.3			
Interest expenses	(0.2)	(1.4)			
Associates					
Jointly-controlled entit.					
Pre-tax profit	53.5	232.9			
Tax	(0.6)	(29.6)			
Minority interests					
Net profit	52.9	203.3			
% chg		284.6			
EPS (RMB) - Basic	0.029	0.113			
DPS (RMB)					
<b>Shareholding Structure</b>					
				<b>Shares o/s (m)</b>	<b>%</b>
Ding Shijia & Ding Shizhong				1,498.5	60.2
Ding Yali				175.5	7.0
Ding Hemu				126.0	5.1
Others				690.0	27.7
<b>Total</b>				<b>2,490.0</b>	<b>100.0</b>
<b>Background</b>					
Anta was established by Mr. Ding Shiren in 1994. After yeas of expansion, the company has become a leading domestic sportswear company. It wholesale footwear, apparels and accessories to distributors across the country. In May 2008, the company quit from distribution of international brand.					
<b>Key Ratios</b>					
Net gearing (%)	Cash	Cash	Cash	Cash	Cash
Net ROE (%)	84.5	24.5	17.6	21.4	24.4
EBIT ROCE (%)	73.7	21.3	18.1	23.4	28.0
Dividend payout (%)	15.5	33.8	63.4	64.9	65.4
Effective tax rate (%)	0.4	10.2	12.0	15.0	18.0
Net interest coverage (x)	na	na	na	na	na
A/R turnover (days)	45.0	38.4	44.9	48.1	48.0
A/P turnover (days)	61.5	44.8	42.0	43.2	42.2
Stock turnover (days)	41.6	50.6	66.9	73.4	74.7
Net gearing (%)	Cash	Cash	Cash	Cash	Cash



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