



# CHINA ERATAT SPORTS FASHION LIMITED

(Company Registration No: 200705552D)

FOR IMMEDIATE RELEASE

## CHINA ERATAT REPORTS REMARKABLE FULL YEAR RESULTS

- **FY revenue jumped by 71.6% to RMB777.3 million**
- **FY net profit rose by 79.5% to RMB125.9 million**
- **Gross profit margin increased to 30.1%**
- **Declared a first and final dividend of RMB0.0152 per share for FY09**

(RMB '000)	3 months ended 31 March			12 months ended 31 March		
	FY094Q	FY084Q	CHANGE	FY09	FY08	CHANGE
Revenue	167,074	135,391	23.4%	777,322	452,990	71.6%
Gross Profit	48,636	36,087	34.8%	233,988	131,738	77.6%
Taxation	(6,184)	(2,912)	112.4%	(20,883)	(9,974)	109.4%
Net Profit	25,066	17,851	40.4%	125,924	70,154	79.5%
EPS (RMB cts)*	6.04	6.15		30.76	24.19	
EPS (SGD cts)#	1.31	1.34		6.69	5.26	

\* FY084Q based on pre-invitation share capital of 290,029,357 shares  
FY094Q based on post-invitational weighted average shares of 414,912,514  
FY08 based on pre-invitation share capital of 290,029,357 shares  
FY09 based on post-invitational weighted average shares of 409,438,184

# Exchange rate at S\$1.00 = RMB4.60

**SINGAPORE, 21 MAY 2009** – SGX mainboard-listed China Eratat Sports Fashion Limited (中国鳄莱特运动时尚有限公司) (“**China Eratat**” and together with its subsidiaries, the “**Group**”), a leading sports fashion footwear and apparel company based in Jinjiang, Fujian Province, PRC, today announced its full year results (“**FY09**”) for the financial year ended on 31 March 2009.

## Financial and Operating Review

The Group reported a continuous strong consumer demand and higher sales volume from both product segments with its revenue jumped by 71.6% from RMB453.0 million in FY08 to RMB777.3 million in FY09. The demand for its sports footwear segment surged by 74.7% to RMB519.0 million in FY09 from RMB297.0 million in FY08. Its sports apparel segment, which successfully garnered popularity among its target consumers, also increased by 65.6% to RMB258.3 million in FY09 as compared to RMB156.0 million in FY08.

Cost of sales increased by 69.1% to RMB543.3 million in FY09 from RMB321.3 million, was in line with the surge in its revenue. Gross profit jumped by 77.6% to RMB234.0 million in FY09 from RMB131.7 million in FY08. The Group's overall gross profit margin climbed to 30.1% in FY09 as compared to 29.1% in FY08, which was mainly due to improvement in gross profit margin from its footwear as approximately 18% of its footwear was outsourced to third party manufacturer in PRC in FY09 as compared to approximately 41% in FY08.

In line with the Group's business strategy in generating higher sales volume, selling and distribution expenses, which represented approximately 10.2% (FY08: 8.6%) of the overall revenue, has increased by 102.4% to RMB79.0 million in FY09 as compared to RMB39.0 million in FY08. Administrative expenses, representing approximately 2.9% (FY08: 2.4%) of its overall revenue, has increased by 108.0% to RMB22.9 million in FY09 from RMB11.0 million in FY08, due to increase in staff and administrative related expenses as a result of increase in its business activities.

The Group's profit before income tax margin had increased from 17.7% in FY08 to 18.9% in FY09. Profit before income tax increased by 83.2% to RMB146.8 million in FY09 from RMB80.1 million in FY08. The increase in profit was consistent with its higher sales volume and gross profits arising from their business activities, which were offset by the increase in its selling and distribution expenses and administrative expenses.

Commented Mr Lin Jiancheng (林建程), Executive Chairman & CEO of China Eratat, "On behalf of the board, I would like to thank all our staff and business partners for their commitment and perseverance in delivering such strong results. Though facing with challenging conditions ahead, I believe it will spur us to work even harder to propel our ERATAT brand to new heights."

In line with the Group's marketing strategy, China Eratat continues to collaborate with Anhui TV (安徽卫视), by sponsoring a brand new TV reality programme series called "Eratat Life Sports Show" (鳄莱特生活运动会), which is scheduled to telecast from April to November 2009. Throughout Anhui TV, advertising and promotional clips will also be shown multiple times daily to create awareness of Eratat brand and the new programme. We believe that such wide coverage by the media can accelerate awareness of Eratat brand exponentially across China.

Added Mr Lin, “Despite recent adverse global economic climate, the support from our shareholders remained unwavering. With heartfelt appreciation to our shareholders, we are pleased to declare a first and final dividend of RMB0.0152 per share for the financial year ended 31 March 2009.”

### **About China Eratat Sports Fashion Limited**

China Eratat is principally engaged in the design, manufacture and distribution of sports footwear, and the design and distribution of sports apparel under its well-established proprietary brand “ERATAT” (“鳄莱特”). The Group’s products are designed for a wide range of activities catering to the sports and casual lifestyles. With its strong focus on brand management, product development and quality, the Group has received numerous awards which include “China Best Public Image Brand” in 2006. Eratat products are sold across 21 provinces/cities in 1690 specialty stores and retail locations (comprising 1635 via PRC distributors and 55 via direct sales to retailers) as at the end of FY09. In addition, the Group also produces sports footwear products under third party brands for sale to its export distributors.

*Note :*

*This release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

China Eratat is listed on SGX-ST on 17 April, 2008. Kim Eng Capital Pte. Ltd. is the Manager, Underwriter and Placement Agent for the IPO.

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