

**INTERIM
REPORT
2009**

ANTA



Chinese Olympic Committee Official Partner
中国奥委会合作伙伴

ANTA Sports Products Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 2020

JELENA JANKOVIC

**DARE TO BE
PERFECT**

**Management Discussion
and Analysis P.10**

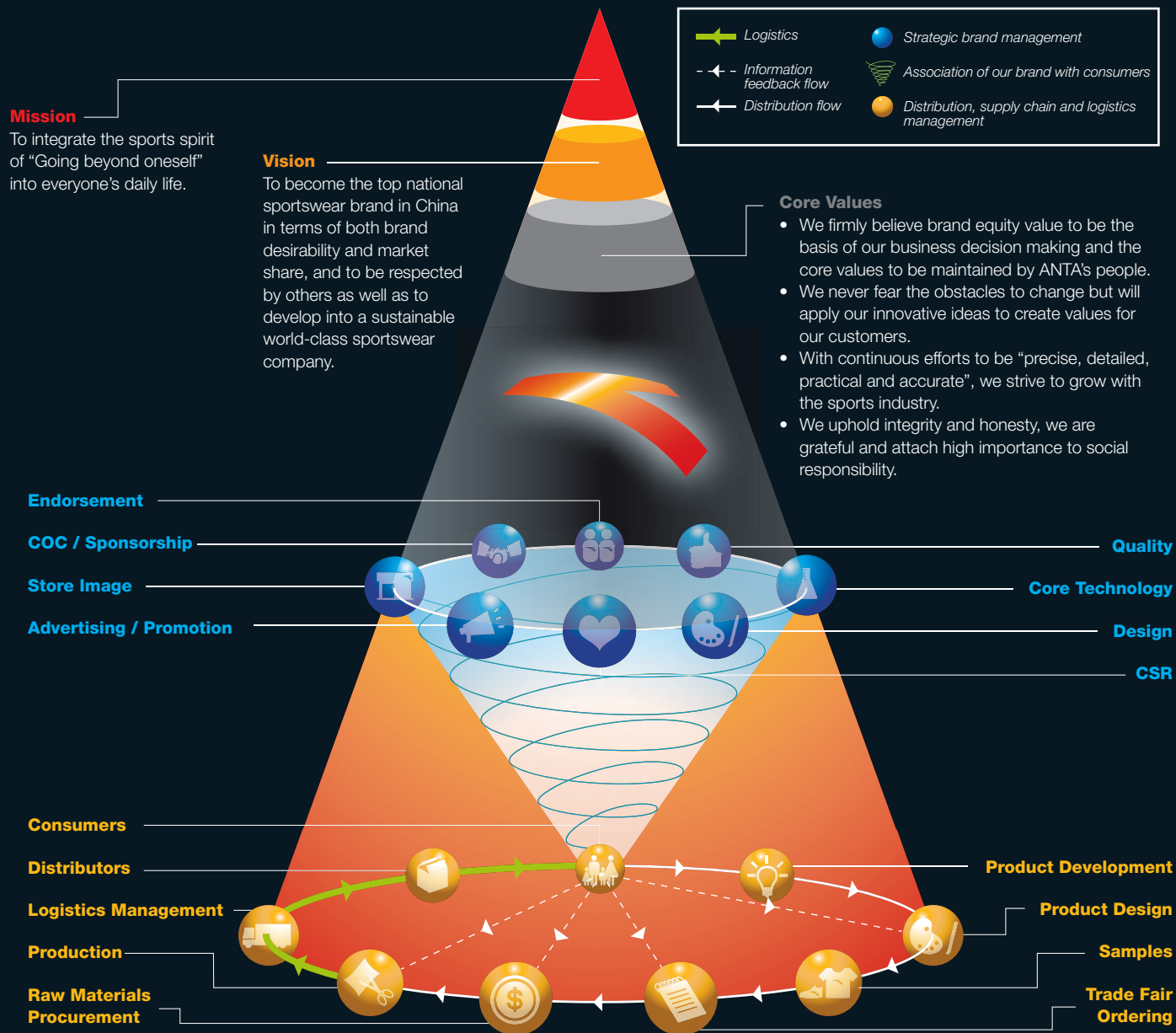
*COC Sponsorship's
Special Feature P.13-15*



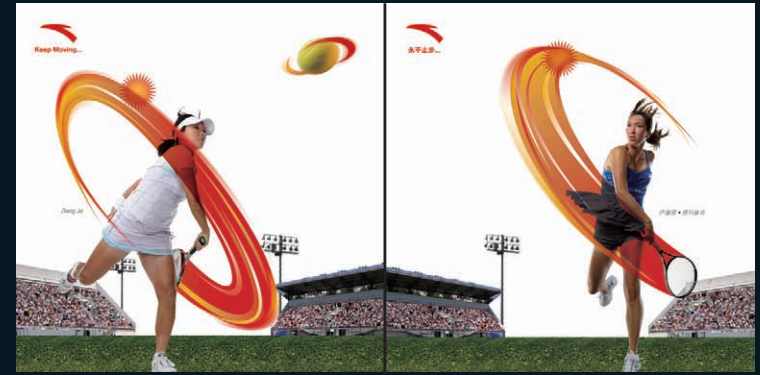
www.anta.com

Brand-driven Business Model

The Group positions ourselves as a brand management company which integrates our sponsorship/endorsement resources, advertising and promotional activities, CSR, store images, value for money performance-based and stylish products as to reinforce our brand image and level of brand association. Our brand drives the distribution channel and the supply-chain to serve our consumers and to achieve our vision, mission and core values.



ANTA INTERIM REPORT 2009



When the two versions of the cover are placed next to each other, Zheng Jie is playing against Jelena Jankovic. The two players are shown teaming up in a double match when the reports are reversed.

CONTENTS



02 | Chairman's statement

Mr. Ding summarises the achievements in the first half of 2009



37 | Corporate Social Responsibility Report

While striving for business development, the Group fulfills our social responsibility by serving our community

Brand-driven Business Model (Inside frontcover)

Corporate Information

Milestones In First Half 2009

Results Highlights

The Group achieved a sustainable and healthy growth in the first half of 2009

Review Report Of The Auditors

Unaudited Condensed Consolidated Interim Financial Statements

Notes To The Unaudited Condensed Consolidated Interim Financial Statements

Glossary

PAGE

2

5

6

9

10

37

41

42

45

53

56

10 | Management Discussion And Analysis

Strong Brand Equity

The Group has leading brand desirability and recognition in China



Nationwide Distribution Network

The Group has maintained a leading presence in the second and third tier cities

Product Differentiation

The Group is dedicated to improving our capabilities of R&D, design and quality control

Corporate Governance And Other Information

Investors Information (Inside backcover)

Be Circumspect and Daring Be Precise and Effective

Dear shareholders,

On behalf of the Board of ANTA Sports Products Limited, I am pleased to report the interim results of the Company and its subsidiaries for the six months ended 30 June 2009.

Sustaining Healthy Growth

When the global economic recession began to deepen at the beginning of this year, China's economy was not immune from its negative impacts where exporters and domestically-focused firms alike also took a hit. But thanks to the support of our staff and distributors, and the effectiveness of our

business strategies, ANTA Sports was able to achieve a sustained, healthy growth and deliver a set of impressive figures despite the downturn.

During the period, the Group's turnover reached RMB2.82 billion (2008 1H: RMB2.21 billion), representing an increase of approximately 27.7% over that of the corresponding period last year. Profit attributable to shareholders was up 40.1% to RMB608.3 million (2008 1H: RMB434.3 million). Basic earnings per share for the period were RMB24.43 cents (2008 1H: RMB17.44 cents). In view of the satisfactory performance, the Board proposed to declare an interim dividend of HK12 cents per ordinary share (2008 1H: HK10 cents).

Daring in Breakthroughs

The Group got off to a good start in January with the signing of tennis star Jelena Jankovic as our endorsed player. The signing marked the first ever collaboration between a top-ranked international tennis player and a domestic sportswear brand. A further endorsement deal soon followed in April when ANTA Sports signed China's legendary female tennis player Zheng Jie. They

have already teamed up as "Tennis Duo" in our marketing events, helping raise our brand profile and value in the domestic sportswear market.

In June, the Group began a new chapter in our brand development when we entered into a sponsorship agreement with the Chinese Olympic Committee, becoming the Sportswear Partner of the COC as well as the Official Partner of the China Sports Delegation from 2009 to 2012. In the coming four years, the GSD will be wearing sportswear sponsored by ANTA Sports in 11 influential international competitions, including the 2010 Guangzhou Asian Games, the 2010 Vancouver Olympic Winter Games and the 2012 London Olympic Games. The Group is honored to be the sportswear sponsor of Chinese athletes at the awards ceremony in these competitions. The privilege will also help promote the brand exposure and internationalisation of ANTA.

During the period, the development of the Group's distribution network reached a major milestone with the opening of our 6,000th store in Guangzhou in May. Furthermore, the 10th ANTA flagship store was opened in the heart of Xian's commercial district, marking a new phase in our network expansion in northwestern China. As a result of the network expansion and the continued improvement in store image, the Group's market presence and brand value were greatly enhanced.

On 12 August 2009, the Group entered into various agreements to acquire the Fila



"We are dedicated to blending the spirit of "Going Beyond Oneself" into people's daily lives, providing Chinese consumers with professional sportswear products and services, as well as promoting the popularisation and development of "Sports for All" movement."

With the support of the COC, we can achieve our goal and our leadership in the market will be further strengthened.

trademarks related to the “FILA” brand (“Fila PRC Trademarks”) in Mainland China, Hong Kong and Macau and the business of retailing sportswear products bearing the Fila PRC Trademarks in Hong Kong and Macau. The proposed acquisitions are subject to, among other things, the approval of the Anti-Monopoly Bureau of the Ministry of Commerce of the PRC. The “FILA” brand is a well-known global sportswear brand targeting the high-end market segment. The proposed acquisition of the Fila PRC Trademarks in Mainland China, Hong Kong and Macau represents a good opportunity for us to expand our coverage to the high-end sportswear market in the PRC whilst the acquisition of the operation of the Fila retail stores in Hong Kong and Macau will be strategically important for developing the reputation of the “FILA” brand in the PRC market.

Striving for Improvements

In response to the PRC Government’s call for more innovation in the manufacturing sector, ANTA Sports has raised our R&D investment accordingly to further enhance our R&D capability and product differentiation. We continued to upgrade our core technologies and design by collaborating with local and international talents. ANTA Sports is honoured to obtain the Gold Award (sports leisure shoes category) in the Footwear Design Competition 2009 organised by the China Leather Association.

In the increasingly competitive market, value-added products with premium quality can help attract and retain customers. The Group therefore has stepped up our focus on expanding our product range for both performance-based and lifestyle product series. All the new offerings bring together the three core product attributes: advanced technology, trendy design and quality assurance. Together, they further strengthen our leading position in the mass market.



In order to further enhance our operating efficiency, the Group has rolled out a number of management system optimisation projects, such as improving the workflow of supply chain management, restructuring the internal control system, as well as upgrades to the information system. The Group has also implemented various cost control measures to enhance our competitiveness in this challenging operating environment.

Being Cautious and Optimistic

China’s economy and domestic demand have gradually recovered since the implementation of stimulus measures. We are optimistic but with added caution when facing the market uncertainties and intensifying competition in the post-Olympic sportswear market. With the support of the COC, the Group will be able to further enhance our brand equity and loyalty by integrating advertisement and sponsorship resources. We will remain alert to market changes, and continue to

reinforce our competitive advantages by product diversification, R&D and design enhancements, distribution network improvement and better supply chain management, so as to create greater value and return for our shareholders.

On behalf of the Board, I would like to express my sincere gratitude to our shareholders and business partners for their support, and also to our employees for their hard work.

Ding Shizhong
Chairman

Hong Kong, 17 August 2009





Zheng Jie's WTA singles ranking rose to No. 15 on 18 May, breaking her individual and Chinese national highest world rankings record

Board

Executive Directors

Ding Shizhong (Chairman)
Ding Shijia
Lai Shixian
Wang Wenmo
Wu Yonghua

Independent Non-Executive Directors

Yeung Chi Tat
Lu Hong Te
Dai Zhongchuan

Board committees

Audit committee

Yeung Chi Tat (Chairman)
Lu Hong Te
Dai Zhongchuan

Remuneration committee

Ding Shizhong (Chairman)
Lu Hong Te
Dai Zhongchuan

Nomination committee

Lu Hong Te (Chairman)
Yeung Chi Tat
Lai Shixian

Company secretary

Ling Shing Ping FCPA FCCA

Qualified accountant

Ling Shing Ping FCPA FCCA

Authorised representatives

Lai Shixian
Ling Shing Ping

Registered office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office in the PRC

Dongshan Industrial Zone
Chidian Town, Jinjiang City
Fujian Province, PRC
Postal code: 362212

ANTA Operations Center
Yiai Road, Siming District
Xiamen, Fujian Province, PRC
Postcode: 361009

Principal place of business in Hong Kong

Unit No. 4408
44th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

Legal adviser

Norton Rose Hong Kong

Auditors

KPMG, Certified Public Accountants

Cayman Islands principal share registrar and transfer office

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
Grand Cayman KY1-1107
Cayman Islands

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716,
17th Floor,
Hopewell Centre
183 Queen's Road East,
Wanchai,
Hong Kong

Principal bankers

Agricultural Bank of China
Industrial and Commercial Bank of China
Bank of China Limited
Bank of China (Hong Kong) Limited
China Construction Bank Hong Kong
Branch
UBS AG

Internal control review adviser

SHINEWING Risk Services Limited

Public relations consultant

Hill & Knowlton Asia Limited





JANKOVIC ENDORSES ANTA TENNIS PRODUCTS

18 January 2009

Leading tennis player Jelena Jankovic signed a deal to endorse ANTA's tennis products. The endorsement helps lay a solid foundation for the success of ANTA's tennis products series

IR WEBSITE WINS ACCOLADE

27 February 2009

ANTA Sports investor relations website recognised in Mercury Awards for its design in the sports category, winning a bronze award



CONTINUED LEADERSHIP IN FOOTWEAR MARKET

March 2009

ANTA Sports tops the travel and sports footwear market by market share for eight years in a row as rated by the China General Chamber of Commerce and the China National Commercial Information Center



21 February 2009

ANTA Sports title sponsored the coveted "2008 ANTA CCTV Sports Personality" awards ceremony. Gymnast Yang Wei and table tennis champion Zhang Yining were voted Best Male Athlete and Best Female Athlete, respectively

TITLE SPONSOR OF PRESTIGIOUS CCTV SPORTS AWARDS

FLAGSHIP STORE LAUNCHED IN XIAN

22 March 2009

ANTA Sports chose Xian as the location for its 10th flagship store. The opening marks a key milestone in its expansion drive in northwestern China



ANTA SPORTS HONORED "CTC 2009 CERTIFICATE"

3 April 2009

CTC is a worldwide footwear and leather expert with 100 years of experience in assisting footwear companies to improve quality. This award represents the Group's efforts in improving the quality of production and quality control





ANTA SPORTS SIGNS ZHENG JIE AS AN ENDORSED TENNIS PLAYER

13 April 2009

ANTA Sports signed China's leading female tennis player, Zheng Jie. The move helped advance the development of professional tennis in China as well as the Company's business



ANTA SPORTS OPENS ITS 6,000TH STORES

10 May 2009

The 6,000th ANTA store was opened in the city of Guangzhou in Beijing Road

BILLIONS UNITED AS ONE, KEEP MOVING UP TO THE TOP

23 June 2009

ANTA Sports announced the strategic partnership with COC to sponsor the sportswear products for CSD from 2009 to 2012

ANTA SPORTS NABS FOUR AWARDS

4 May 2009

ANTA Sports named winner in a poll by regional financial magazine FinanceAsia, in the categories of "Best Mid-cap Company", "Best Managed Company", "Best Corporate Social Responsibility" and ranked fourth in "Most Committed to a Strong Dividend Policy"

PREMIER WEN VISITED ANTA SPORTS

9 May 2009

China's Premier Mr. Wen Jiabao visited ANTA Sports' Headquarters in Jinjiang, Fujian Province, in a landmark tour to show his appreciation for ANTA Sports' innovation sense and recognition of its "progressive transformation from labour-intensive to technology-intensive company"



ANTA SPORTS WON GOLD FOR ITS OUTSTANDING DESIGN

9 June 2009

ANTA Sports won the Gold Award in the "Footwear Design Competition 2009 – Professional Category, in Sports Leisure Shoes", organised by the China Leather Association



Jankovic won the singles
title at the Andalucia
Tennis Championships in
Marbella, Spain

ENERGY **GOAL** ENERGY
PASSION **TRAINING**
SPIRIT ANTA
BRAVERY

PASSION
ANTA
SPIRIT
POWER ENERGY
TRAINING
ENERGY



RESULTS HIGHLIGHTS

NET PROFIT
RMB608.3
MILLION

achieved
higher than
the entire year
of 2007

GROSS PROFIT
MARGIN
41.5%

reflecting
strong brand
equity

NET PROFIT
MARGIN
21.6%

reflecting
scale effect
and better
cost control

In terms of financial performance

- Turnover was almost double of 2007 1H turnover, representing an increase of 27.7% to RMB2,817.0 million, comparing with that of 2008 1H
- Gross profit margin increased by 2.6% points to 41.5%
- Operating profit increased by 63.1% to RMB682.9 million
- Net profit margin increased by 1.9% points to 21.6%
- Profit attributable to shareholders increased by 40.1% to RMB608.3 million
- Basic earnings per share has an increase of 40.1% to RMB24.43 cents
- Interim dividend of HK12 cents per share is proposed, making a payout ratio of 43.3% of the 2009 1H profit
- Free cash inflow increased by 31.6% to RMB537.3 million

In terms of operational performance

- Number of ANTA stores reached 6,129, a net increase of 462 ANTA stores
- Total sales floor area of ANTA stores increased by 12.3%, to 641,484 sq.m.
- Average sales floor area per ANTA store increased from 100.8 sq.m. to 104.7 sq.m.
- ASP (wholesale price) increased by 3.1% to RMB95.0 for footwear and increased by 5.7% to RMB46.3 for apparel
- Average cost of footwear sold decreased by 2.5%
- Volume increased by 26.6% to 16.4 million pairs for footwear and increased by 22.0% to 25.7 million pieces for apparel

Cautionary Statement Regarding Forward-Looking Statements

This Interim Report 2009 contains certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, that include wordings like "potential", "estimated", "expects", "anticipates", "objective", "intends", "plans", "believes", "estimates", and similar expressions or variations on such expressions may be considered "forward-looking statements".

Forward-looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ in some instances materially, from those anticipated or implied in any forward-looking statement. Forward-looking statements speak only at the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events. Trends and factors that are expected to affect the Group's results of operations are described in the sections of "Business Review" and "Financial Review".



SPORTSWEAR BUSINESS

MARKET REVIEW

A Year of Challenges and Volatility

Following the global financial crisis last year, the Chinese economy has been able to get back on track to steady growth at a healthy pace thanks to the stimulus measures implemented by the Chinese government. However, the uncertain outlook for the world economy continues to depress the job market, hurting consumer confidence further as a result. Before the world economy is back on a solid footing, 2009 is likely to be yet another year of challenges. In view of this, the Group will continue to exercise added caution in our strategy setting and execution to minimise any negative impact from the global economy.

China's Economic Recovery

China's economic growth has largely been restricted by the global recession as exports dwindled. As a result, the country's GDP growth slowed to just 9% in 2008, ending years of double-digit growth. In order to ease the impact on the national economy and accelerate the pace of recovery, the Chinese government has implemented a series of measures, including a RMB4 trillion yuan stimulus package aimed at jump-starting domestic demand. The result was a "stable and relatively fast" recovery in the Chinese economy in the first half of 2009.



Although China's economic data has shown signs of improvement in the past 6 months with income and consumption levels holding steady, the foundation for a sustainable recovery is

yet to be further strengthened. It is generally expected that Chinese policymakers will continue their drive to revive the economy by introducing further stimulus measures.

Fujian Enterprises to Benefit from Government Policy

Premier Wen Jiabao has recently called for the speedy establishment of an economic zone on the Mainland Chinese side of the Taiwan Strait to give the region's economy a much-needed boost in view of the depressed global economy. Large-scale infrastructure construction works in Fujian province have sped up accordingly. When fully completed, the new economic zone is expected to be another engine for growth with a scale comparable to those in the Pearl River Delta and the Yangtze River Delta regions. As a Fujian-based sportswear company, the Group can expect to benefit from the region's economic development considerably.

China's economy is showing signs of stabilising

Post-Olympics Sportswear Market

China's sportswear market has always been competitive, particularly in the past few years where a number of new entrants have sought to expand their distribution networks and share of the business aggressively. Following the Beijing Olympics, the industry is likely to go through a phase of consolidation as it continues to mature. Sportswear companies with strong fundamentals, including high levels of product differentiation and brand recognition, are expected to emerge stronger from the race.

Sporting events such as the 2010 Guangzhou Asian Games have helped to raise public awareness of health issues and health improvement. At the consumer level, there is now a growing willingness to spend more on sportswear products. And as the standards of living continue to improve, the demand for trendy and stylish sportswear products is expected to grow even stronger.



The Chinese government continues to boost the economy by spurring the domestic demand

China's Economic Data

National Income	GDP	RMB13,986 billion	YoY ↑ 7.1%
Urban Residents' Income	Per capita disposable income	RMB8,856	YoY ↑ 9.8%
Consumption	National retail sales of consumer goods	RMB5,871 billion	YoY ↑ 15.0%
	Clothing sector (including sports footwear and apparel)	N/A	YoY ↑ 18.0%
Inflation	CPI	98.9 (2008 1H=100)	YoY ↓ 1.1%
	PPI	94.1 (2008 1H=100)	YoY ↓ 5.9%

Source: National Bureau of Statistics of China (as at 30 June 2009)



PEST and Competitive Advantages



Competitive Advantages

Strong Brand Equity

- Diversified sponsorship resources
- Brand internationalisation
- Nationwide brand recognition & awareness

Nationwide Distribution Network

- Quick response to the market demand
- Wide spread of our network
- Effective management of distributors

Product Differentiation

- A wide range of product mix and lines
- Qualify for setting national quality standards
- Strong alliance with designers and R&D institutes

Cost Leadership

- Enjoy economies of scale
- Highly efficient supply chain management
- Offer value-for-money products

Capital Adequacy

- Sufficient funding for future business development
- No bank or other borrowings
- Strong cash inflow

Corporate Social Responsibility

- Corporate citizenship and public relations
- Close communication with investors

External Environment

Political

- Government's concern over citizens' health
- Promotion of sporting activities in schools

Technology

- Products' functionality
- Performance-based sportswear products
- Stylish and trendy sportswear products

External Environment

Economic

- Per capita disposable income growth rate
- Degree of urbanisation

Social

- Sports participation rate
- Consumers' taste and preference
- Individual expenditure on sportswear products



BILLIONS UNITED AS ONE **KEEP MOVING** UP TO THE TOP

彼此激励 共同成长
中国奥委会与安踏合作新闻发布会





“ **Mr. Wang Jun, Vice President of the COC**

ANTA Sports was selected to be an official partner of the COC as a result of its long term contributions to sports development in China. ANTA Sports has accumulated plentiful experience in sports promotion and established a positive image in the community through the sponsorship of various national sports competitions. We believe that this partnership with ANTA Sports would encourage the Group to further contribute to the development of Olympic movement across the nation.

”



The Group has entered into a strategic alliance agreement with the COC, appointing ANTA Sports as the “2009-2012 Sportswear Partner of Chinese Olympic Committee” and the “2009-2012 Official Partner of China Sports Delegation”. In the coming four years, the CSD will be wearing sportswear products sponsored by ANTA Sports in 11 influential international competitions.



“

Mr. Ding Shizhong, Chairman of ANTA Sports

The appointment of ANTA Sports as the strategic official partner of the COC not only symbolised the nation's recognition of our achievements, but also signified the encouragement to the Group and the responsibility we bore. We are confident in fulfilling our commitment to the COC to provide Chinese athletes with the best sportswear products and services. Looking forward, we will also actively promote the development of Olympic movement in China.

”



11 International Games	Schedule	Locations
The 3rd Asian Indoor Games	September 2009	Hanoi, Vietnam
The 5th East Asian Games	December 2009	Hong Kong SAR, China
The 21st Winter Olympic Games	February 2010	Vancouver, Canada
The 1st Youth Olympic Games	August 2010	Singapore
The 2nd Asian Beach Games	November 2010	Muscat, Oman
The 16th Asian Games	November 2010	Guangzhou, China
The 4th Asian Indoor Games	2011	Doha, Qatar
The 7th Asian Winter Games	2011	Almaty, Kazakhstan
The 30th Summer Olympic Games	27 July to 12 August 2012	London, United Kingdom
The 3rd Asian Beach Games	August 2012	Haiyang, China
The 1st Winter Youth Olympic Games	2012	Innsbruck, Austria



BUSINESS REVIEW

Brand Building Strategy

Riding on our strong sports resources and quality sportswear products, ANTA Sports has been enjoying leading brand desirability and recognition in China. The Group strategically focuses on sponsoring elite athletes, popular sports leagues and influential sports associations. These sponsorships strengthen our professional image in the performance-based sportswear market and enhance our brand and product differentiation. Furthermore, it evidences that the advanced technology and quality of ANTA products have reached the standard and expectation of world-class competitions. The Group also places great emphasis on integrating the sports resources with TV and press advertisements, in-store marketing and various promotional activities.

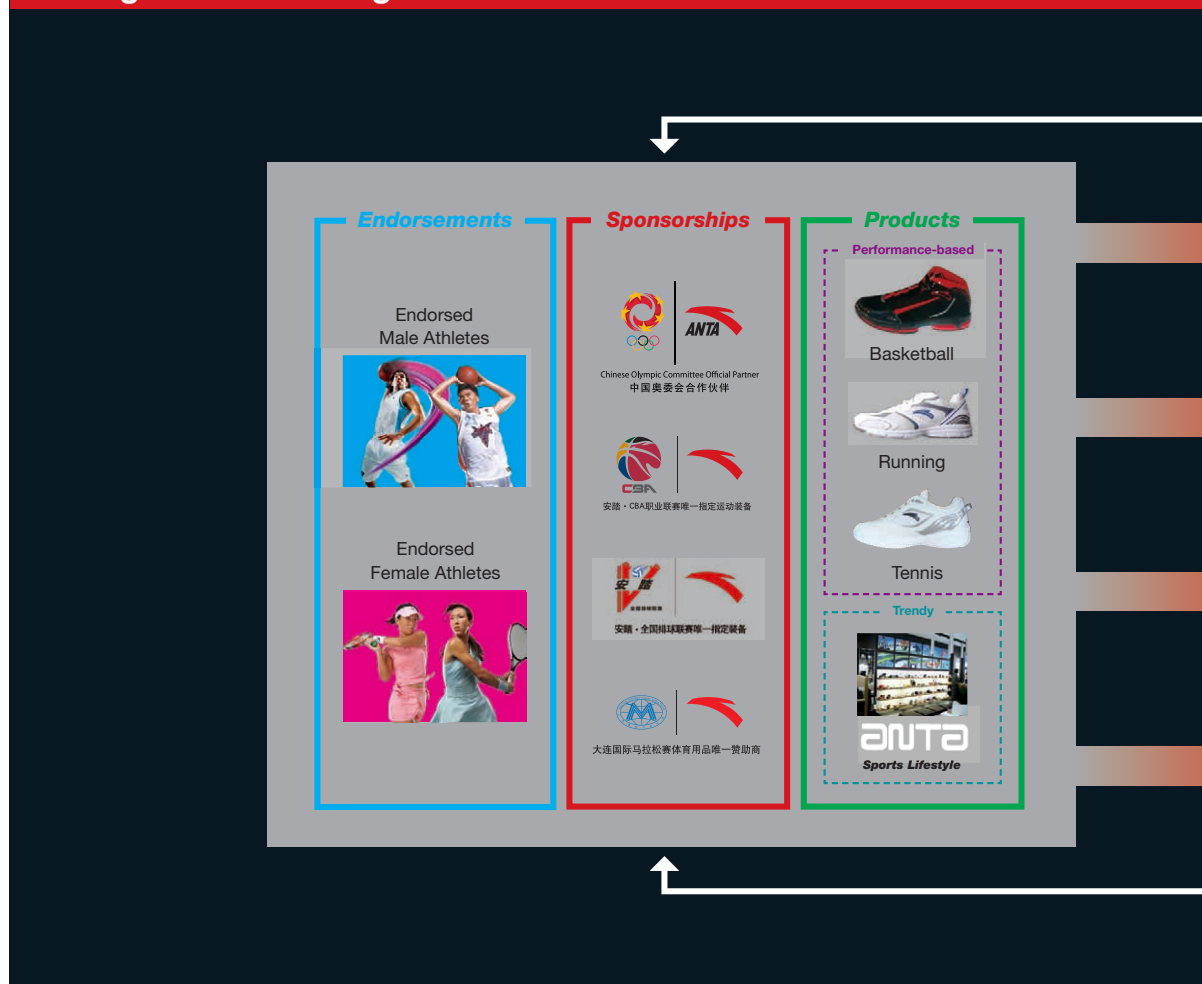
Outstanding store image is a key component of our brand image. Display equipment and promotional materials are provided to encourage distributors and franchisees to follow our network expansion strategies and display standards.

1. Athletes Endorsement

- International Tennis Players

Tennis is gaining its popularity in China as a result of improving international ranking of Chinese tennis players. Tennis products are also well received by sports lovers, especially female consumers, due to its fashion elements. In order to strengthen our market position in the tennis arena, the Group entered into endorsement contracts with Jelena Jankovic and Zheng Jie, world's leading female tennis players during the period. The two elite players have been wearing ANTA sportswear custom designed by international designers for all tournaments (including WTA) and training.

Strategic Brand Management Model



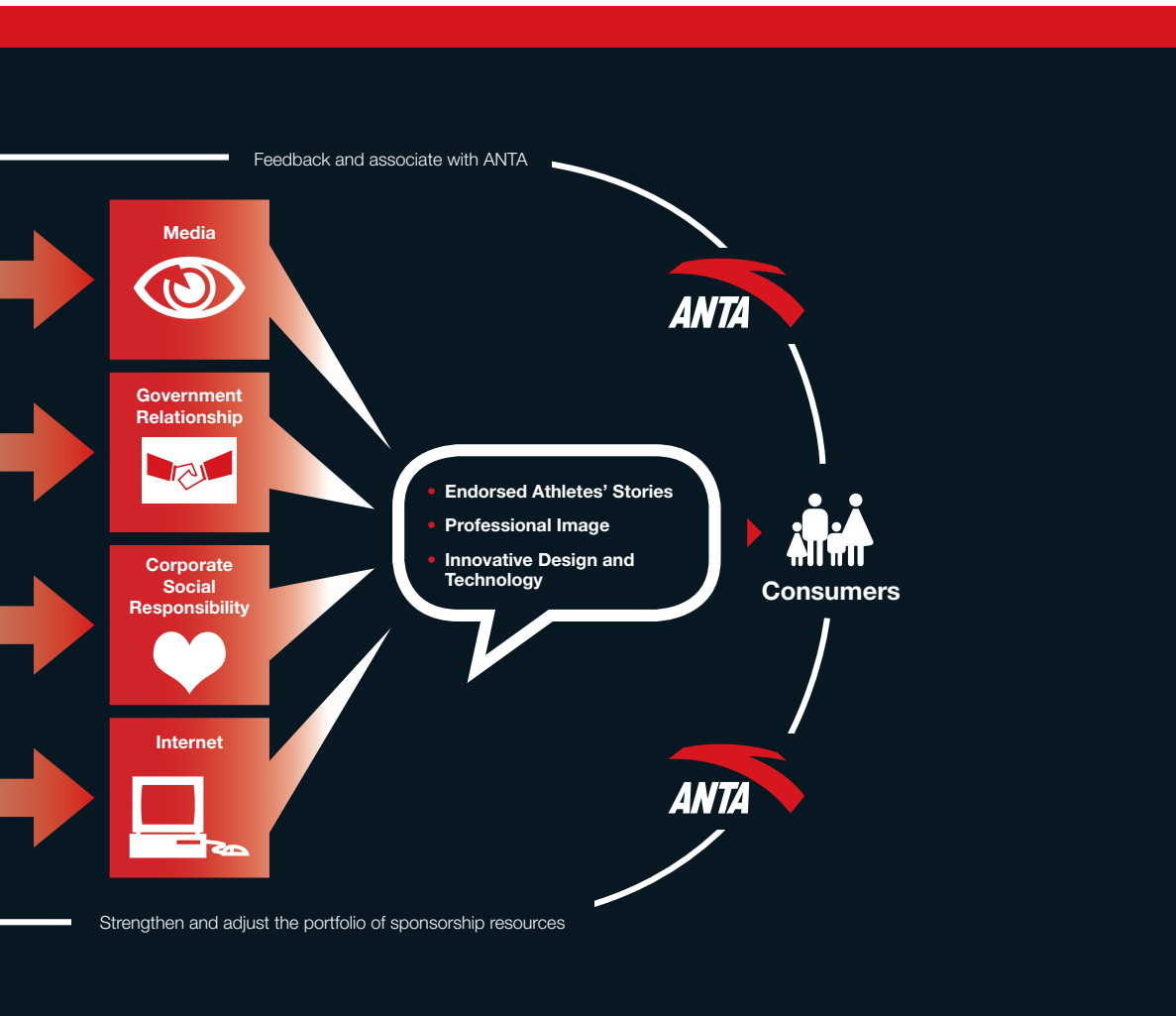
The sponsorship successfully increases our international exposure and the credibility of ANTA's brand and products.

- International Basketball Players

Basketball is one of the sports with highest participation rate in China and also one of the ANTA brand's strengths. During the

period, the Group further leverages on the sponsorship with Luis Scola and Steve Francis to enhance our footprints in the basketball segment. The Group continues to collaborate with Bill Peterson, a renowned designer in the US, to introduce designated basketball shoes series for the endorsed international players.





2. Sports Sponsorships

- Strategic Alliance Agreement with the COC

During the period, the Group entered into a strategic alliance agreement with the COC. ANTA Sports was appointed as the “2009-2012 Sportswear Partner of Chinese Olympic Committee” and the “2009-2012 Official Partner of China Sports Delegation”. During the agreement period, ANTA Sports will sponsor sportswear for the CSD when they participate in 11 influential international competitions, including the Guangzhou 2010 Asian Games, the Vancouver 2010 Olympic Winter Games, and the London 2012 Olympic Games. The partnership with COC marked an important milestone in ANTA’s history. Not only has it further cemented our leading position in the Chinese sportswear industry, but also proved that our substantial efforts to China’s sports development has been recognised by the society. In the coming four years, ANTA Sports will join hands with COC in organising various marketing activities to promote the Olympic spirit and drive sports development in China.

- Collaboration with CBA

ANTA Sports has been a close partner with CBA since 2004. This partnership includes sole sponsor of equipment and gear for every team in all games. The Group has tailor-made jerseys and basketball shoes with the ANTA logo for each player to highlight the professional image of ANTA products. The Group also cooperates with different CBA teams on advertising campaigns. Besides, the sports channel of CCTV provides continuous live and rebroadcast of regular and playoff games nationwide. All these help enhance ANTA’s visibility at all CBA games and increase the brand and products awareness to ANTA’s targeted customers.

- Local Elite Athletes

The Group is dedicated to supporting eminent local athletes and the development of sports in China. The Group continues to sponsor the core player in national table tennis team, Wang Hao, who became the new World Champion after winning

the title of Yokohama World Table Tennis Championships in May 2009. The Group also sponsors CBA players Tang Zhengdong, Wang Lei and Li Xiaoxu. Moreover, Chen Rong, the women’s champion of the 2007 Beijing International Marathon and the 2009 Xiamen International Marathon, also joined ANTA’s endorsement list during the period.





ANTA is a very professional sportswear brand. I hope our collaboration can help promote the development of tennis in China.

- ANTA CCTV Sports Personality Event

The Group has been the title sponsor of “ANTA CCTV Sports Personality” event since 2006. The event aims at accrediting the national sportsmen and athletes with outstanding contribution and is known as “Sports Oscar in China”. As the Chinese Olympic Delegation achieved the “Duo No.1” in both Beijing Olympics and Paralympics 2008 in terms of gold medals won, the event has received great attention and success in February 2009.

- Sponsorships of International Marathons and Other Sports Leagues

The Group has been the exclusive equipment and gear sponsor for the Dalian International Marathon for three consecutive years. Moreover, the Group also sponsors “Yangzhou International Half-Marathon” in 2009. In addition, the Group is the title sponsor of the “Men/Women’s ANTA National Volleyball League”, the “Men/Women’s ANTA National Volleyball Grand

Prize Cup”, the “Men/Women’s ANTA National Volleyball Championship Cup” and “ANTA Beach Volleyball Championship Cup”.

3. Advertising and Promotional Campaigns

During the period, the Group launched six TV commercials to promote the brand ideology and featured products. ANTA Sports also explored creative ways to highlight our product differentiation through the different mix of media channels such as in-store posters, product display, print advertisements, outdoor billboards and the brand website. The Group also involves customers to participate in different marketing campaigns to experience our products and the brand equity.



- “Billions United as One, Keep Moving Up to the Top” – COC Promotional Campaigns

The Group integrated advertisements and promotional activities to facilitate the correlation between ANTA Sports and COC. The Group sponsored the “23rd Olympic Day Run”, which was organised by COC to enhance sports participation. Around 10,000 sports lovers participated in the running day in Beijing, Tianjin, Guangzhou and Haiyang respectively. Furthermore, the Group and COC organised a ceremony to celebrate the anniversary of Olympic Games and the appointment of ANTA Sports as the COC partner on 23 June 2009, held at the National Olympic Sports Centre in Beijing. Immediately after the event, the Group launched a two-week intensive advertisement campaign to raise the exposure of ANTA.



The winning of Andalusia Tennis Championships was especially important after a difficult season. I finally regained the feeling of raising the champion cup!

- Interactive Promotional campaign for Sponsorship Resources

During the period, the Group launched comprehensive promotional campaigns including “CBA Champion Voting”, “Best All Star Teams”, “CBA Message Board” and “Stars in Play-off Seasons” to reinforce the interaction between CBA and the Chinese consumers. The Group also integrated marketing and product promotion events at retail stores to boost customers’ sense of participation and to further strengthen our leading position in various geographical locations. The Group invited well-known CBA players and winning teams in the store opening ceremonies to meet with fans, and launched “Running Festival” in Guangdong province to encourage more participation in the running sports. Moreover, the Group has enhanced the CBA and Sports Lifestyle websites (<http://anta.com/09cba/> and http://www.anta.com/anta_fashionstars/). Basketball and trendy products fans can access to relevant information easily.



Nationwide Distribution Network

1. ANTA Brand in China's Market

Despite a challenging market, the Group continues to leverage our strong brand equity to sustain the leading presence in the second and third tier cities whilst strategically expanding the retail network in China. The Group dedicates to optimise the size, location, store image as well as the operational efficiency of ANTA stores. Distributors and franchisees are encouraged to open larger stores at prime locations to align with the increasing product offerings. The opening of the 6,000th store in Guangzhou and the 10th ANTA flagship store in Xian marked a significant milestone of our network expansion. The effective distribution network enables the Group to timely launch new products to grasp the market potential.

The China sportswear market is developing and has great potential for further expansion. The Group has strengthened our position in the newly tapped kids' sportswear market and further enriched the Sports Lifestyle series this year.

• Extensive Retail Network

– ANTA Brand

During the period, the Group has strategically expanded the network in various

high growth and less penetrated areas to ensure the healthy growth. The number of ANTA stores grew from 5,667 at the end of 2008 to 6,129 as at 30 June 2009, representing a net increase of 462 stores or 8.2% growth. Meanwhile, the Group encourages the upgrading and refurbishment of existing stores to enhance store performance. 412 stores were refurbished during the period. In addition, the Group endeavours to improve the quality and to increase the sales floor area of ANTA stores. The total sales floor area has increased by 12.3% to 641,484 sq. metres while the average sales floor area has increased from 100.8 sq. metres at the end of 2008 to 104.7 sq. metres at the end of the period.

As at 30 June 2009, the Group managed the extensive distribution network through approximately 50 distributors (end of 2008: 47). 32% of ANTA stores is operated by the distributors for both periods.

– Kids Sportswear Series

Under the "one-child policy", parents are willing to invest to ensure children's healthy growth, thus creating market opportunities for value-for-money kids' sportswear products with high protection

and comfortableness. The Group introduced the Kids sportswear series in late 2008 with an orange logo to offer quality sports footwear, apparel and accessories for children aged between 9 and 14. As at 30 June 2009, 160 Kids series stores (end of 2008: 81) have been operated in core locations by distributors.

– Sports Lifestyle Series

In view of the growing demand for trendy leisure sportswear products, the Group separated and enlarged the trendy sneaker series from the existing offering in late 2008. Trendy sneaker stores with the black ANTA logo were introduced to the market to target

customers aged between 15 and 28 who demand comfortable and stylish sportswear. As the trendy sneaker products have been well-received by customers, the Group has further enriched the product mix by adding more apparel and accessories to form a complete

The following table sets out the development of distribution network for ANTA Brand (excluding Kids sportswear/Sports Lifestyle series) by geographical location:

	As at 30 June 2009	As at December 2008*	Changes (%)
	Number of ANTA stores		
Eastern region	2,297	2,146	↑ 7.0
Southern region	1,890	1,783	↑ 6.0
Northern region	1,942	1,738	↑ 11.7
Total	6,129	5,667	↑ 8.2

* The comparative figures of eastern and northern regions have been restated as the Group has strategically moved Henan market from the eastern to the northern region to balance the efforts on market development among the regions.



Nationwide Distribution and Retail Network as at 30 June 2009

Location – North	ANTA Stores
Shandong	267
Liaoning	263
Henan	255
Hebei	243
Heilongjiang	168
Beijing	148
Jilin	144
Shaanxi	126
Shanxi	114
Inner Mongolia	78
Tianjin	73
Gansu	32
Xinjiang	21
Ningxia	6
Qinghai	4

Location – East	ANTA Stores
Jiangsu	614
Zhejiang	546
Hubei	292
Hunan	262
Anhui	251
Shanghai	205
Jiangxi	127

Location – South	ANTA Stores
Guangdong	745
Sichuan	318
Fujian (Image store included)	259
Guangxi	204
Chongqing	129
Yunnan	118
Guizhou	69
Hainan	45
Tibet	3



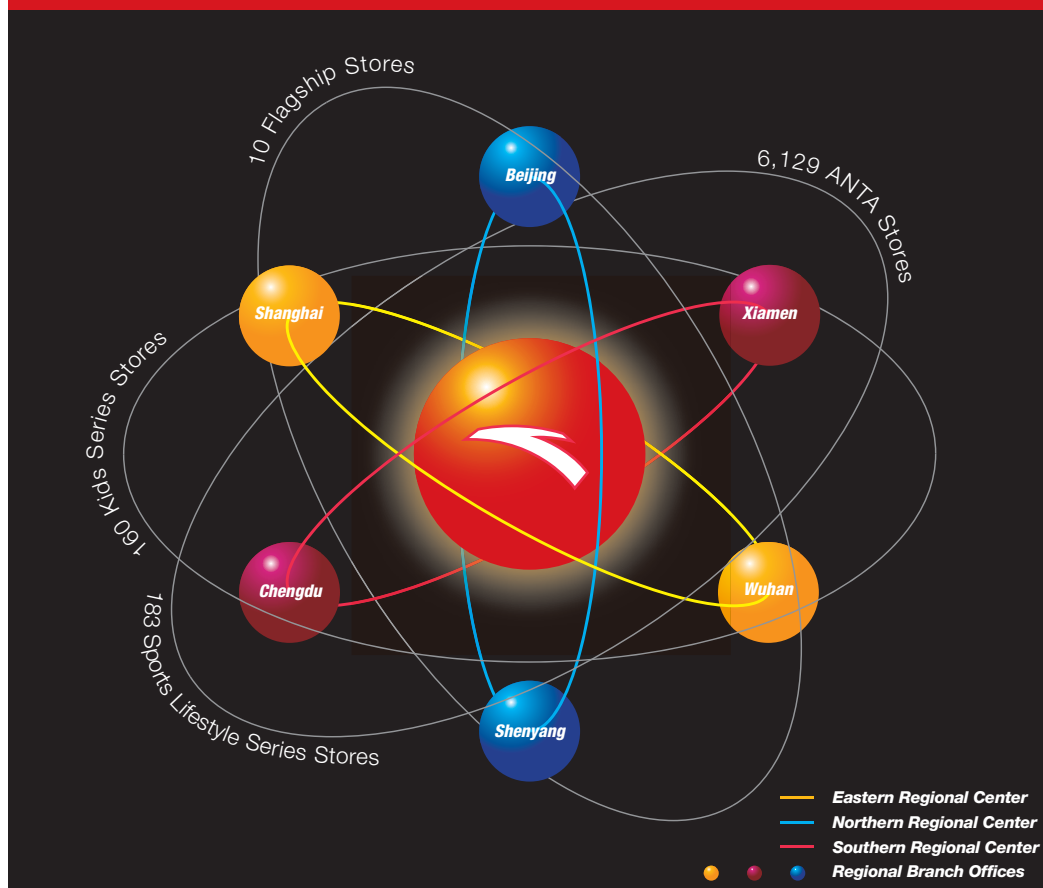
Location of ANTA Flagship Stores:



City/Province	Road/District
Shenyang, Liaoning	Zhongjie Road, Shenhe District
Beijing	Wangfujing Lisheng Shopping Mall South, Dongcheng District
Xian, Shaanxi	Dongda Street, Beilin District
Shanghai	Nanjing Road East, Huangpu District
	Nanjing Road, Huangpu District
Hefei, Anhui	Passageway East, Huaihe Road
Wuhan, Hubei	Jiangnan Road, Hankou District
Changsha, Hunan	Passageway, Huangxing Road South
Chongqing	Xinbei Road, Shapingba District
Xiamen, Fujian	Zhongshan Road, Siming District



Distribution Network & Structure



“Sports Lifestyle series”. The Sports Lifestyle series emphasises stronger fashion sense and the use of lively colours under different themes, such as “street dance series” and “music series”, etc. As at 30 June 2009, 183 Sports Lifestyle series stores (end of 2008: 33) have been operated in core markets by distributors. Some of the stores were transformed from existing smaller size ANTA stores.

- *Improvement of Store Image*

In order to further improve the brand awareness and the store image, the Group’s

distributors have opened ANTA flagship stores in key markets and densely populated areas. As at 30 June 2009, ten flagship stores have been set up in major cities in China. In March 2009, the 10th flagship store was opened in Xian, which marked a significant network development in the northwestern China. In addition, distributors and franchises are encouraged to open or upgrade to the fifth generation ANTA stores with better layout and product display setting to enhance the brand image. As at 30 June 2009, approximately 78% of ANTA stores (end of 2008: 53%) have been aligned to the fifth generation stores.

- *Effective Management of Distributors and Franchisees*

The Group provides strong support to facilitate the operation and growth of distributors and franchisees. The Group manages and supports the distributors and franchisees through three regional centres and six branch offices. Besides, “Distributors Management Guidelines” were further optimised to standardise the operational procedures, customer service requirements and training for different regions. For example, the Group strictly examines the store opening proposal from distributors under standardised guidelines. Furthermore, the Group monitors and verifies the decoration, display equipment and promotional activities at the retail level under our strategic move and standards. The Group offers incentives under the stratified management system to encourage distributors to achieve various key performance targets.

The Group has strengthened the supervision over distributors and POS, including the introduction of “Mysterious Shoppers” and “Weekly Sample Checking” assessments. The Group has also expedited the progress of connecting the information system among points of sales. As at 30 June 2009, around 43% of ANTA stores’ POS system are linked up with our ERP system. The remaining stores are required to submit weekly reports to the Group. This enables the Group to promptly analyse retail performance and inventory level for better decision-making and inventory management among distributors as well as better supervision over the POS.

- 2. *ANTA Brand in Overseas Market*

The global environment has become challenging since late 2008. The Group has selectively increased our penetration in the international market. The Group’s overseas distributors have opened ANTA stores and concessionary counters in Southeast Asia, Eastern Europe and Middle East. The Group has also launched TV commercials, placed outdoor billboards and organised public relations activities in overseas markets.

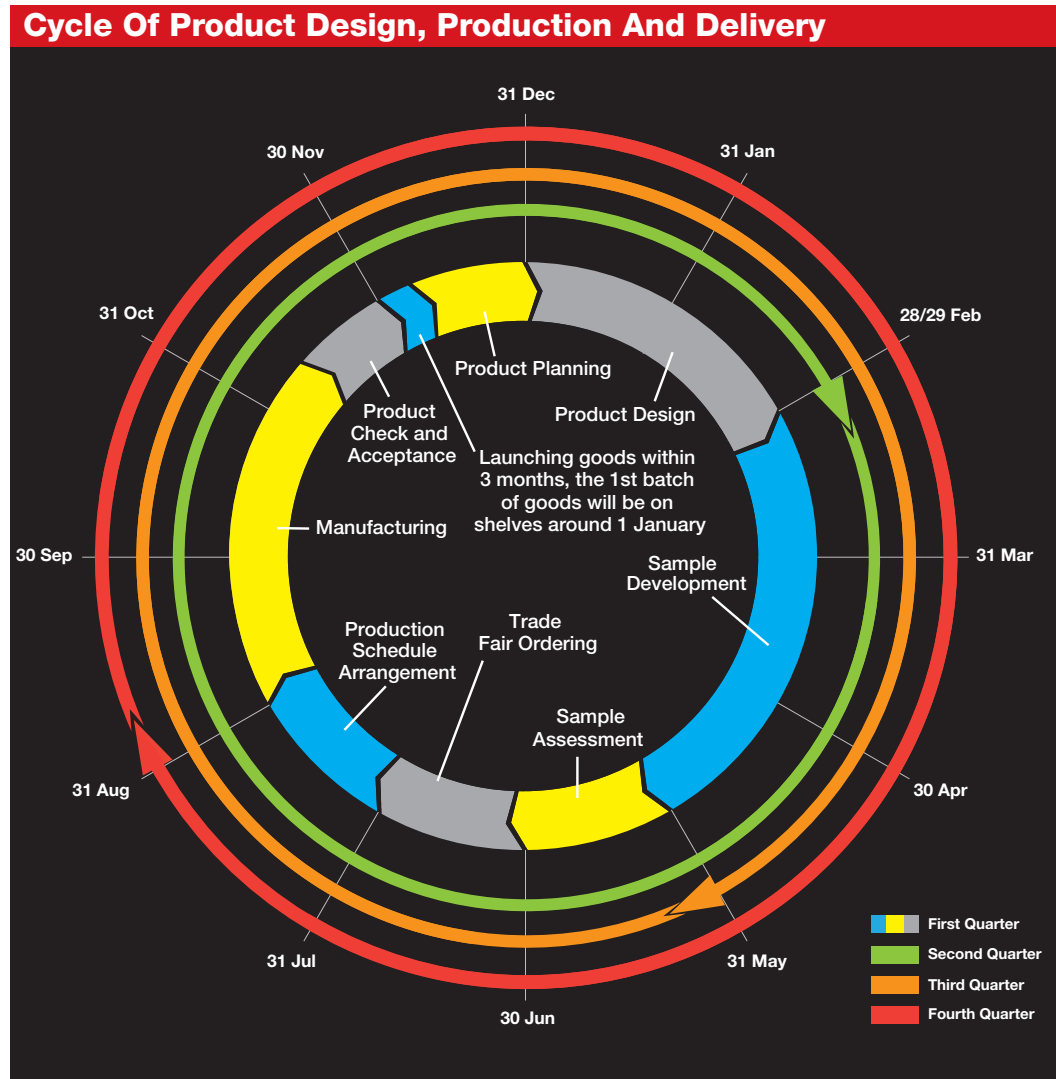


PRODUCT DIFFERENTIATION AND SUPPLY CHAIN MANAGEMENT

Facing a challenging market, the Group continued to invest so as to foster product quality and differentiation. The Group has continuously increased the resources on R&D, supply chain management and quality control process. Meanwhile, the Group has strengthened the internal R&D team and collaboration with external professionals. Moreover, the Group has further standardised and enhanced operational procedures in different stages to improve efficiency.

1. Supply Chain Management

We organise quarterly trade fairs in advance to ensure smooth order placement and product manufacturing. We see our suppliers as on-going business partners and provide strong support to assist major suppliers to improve their performance and effectiveness. Besides assisting our OEM to improve the quality of products, we also enhance workflow guidance as well as providing feedback through quarterly review. For instance, "Suppliers' Quality Evaluation Handbook" and the "Suppliers' Incentive Scheme" are optimised. The Group also sources raw materials with suppliers together to enjoy mass-purchase discounts. During the period, the Group explores cooperation with new, quality OEM and further leverages ODM's design capabilities to reinforce the Group's competitive advantages.



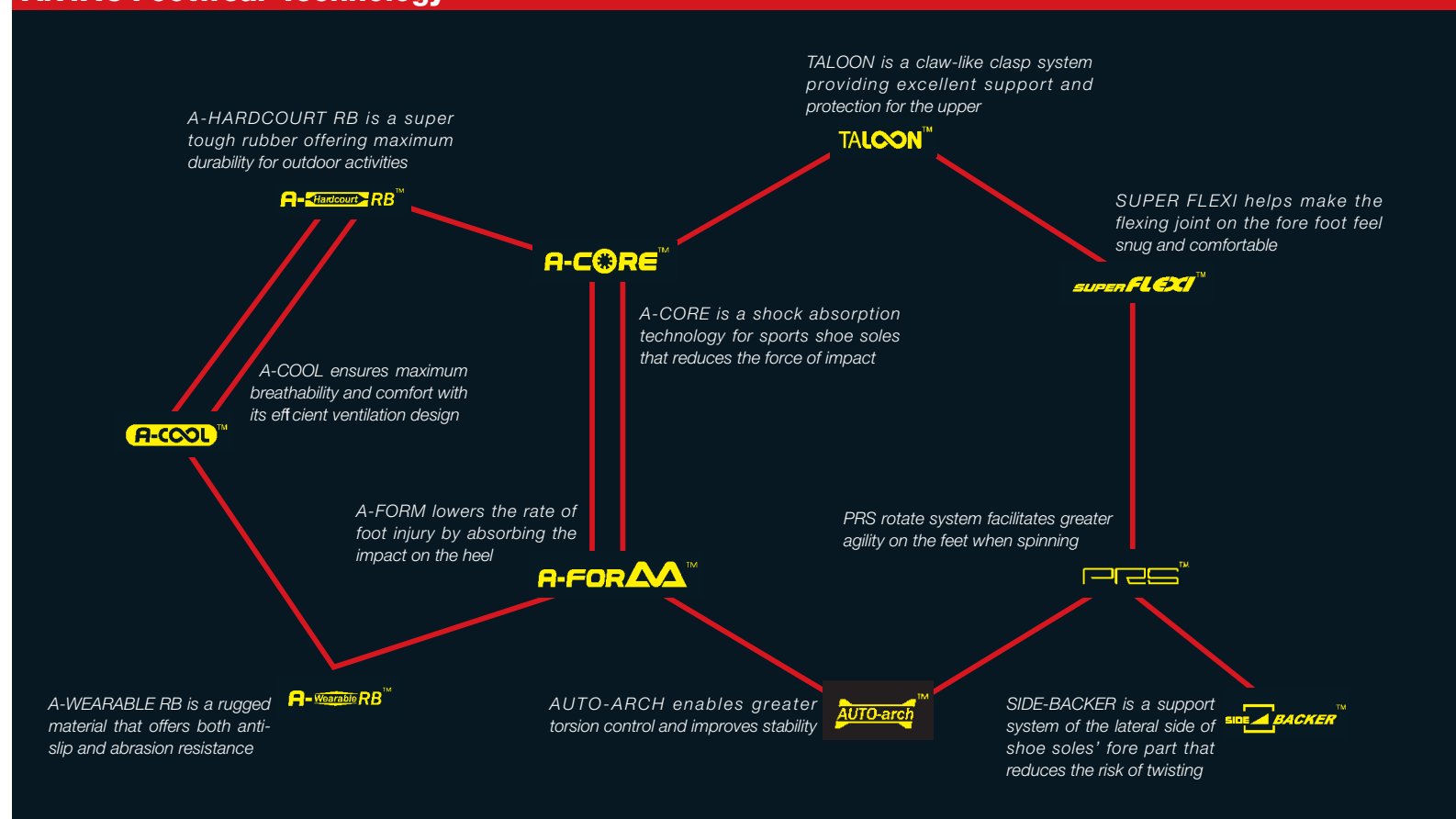
MANAGEMENT DISCUSSION AND ANALYSIS

2. Technological R&D

The Group has jointly conducted research projects with international institutions including Liverpool John Moores University, Beijing Sport University and the China Leather and Footwear Industry Research Institute to enhance our R&D capabilities so as to strengthen the comfortableness and protectiveness of our sportswear products.

Technological R&D Projects	Content
"Hydrogen Running Shoes II"	Upgrade the shock resistance of sole and trim the weight to 170 grams (20 grams less than the first generation). This series was designated for the Dalian International Marathon and long run lovers, providing them with a wonderful running experience.
Technological R&D for tennis shoes	Tailor tennis shoes with the latest technology to fit the endorsed tennis players' body conditions and for different court surfaces. Such project accumulates the experience to increase the breathability, torsional stability, shock absorption and durability in our tennis footwear products.
Research project on children feet shape	Analyse the shape and characteristics of children's feet in China. This project provides a solid foundation for the development of protective Kids' sportswear products, e.g. to decrease the possibility of children's feet illness such as flat feet (pes planus).

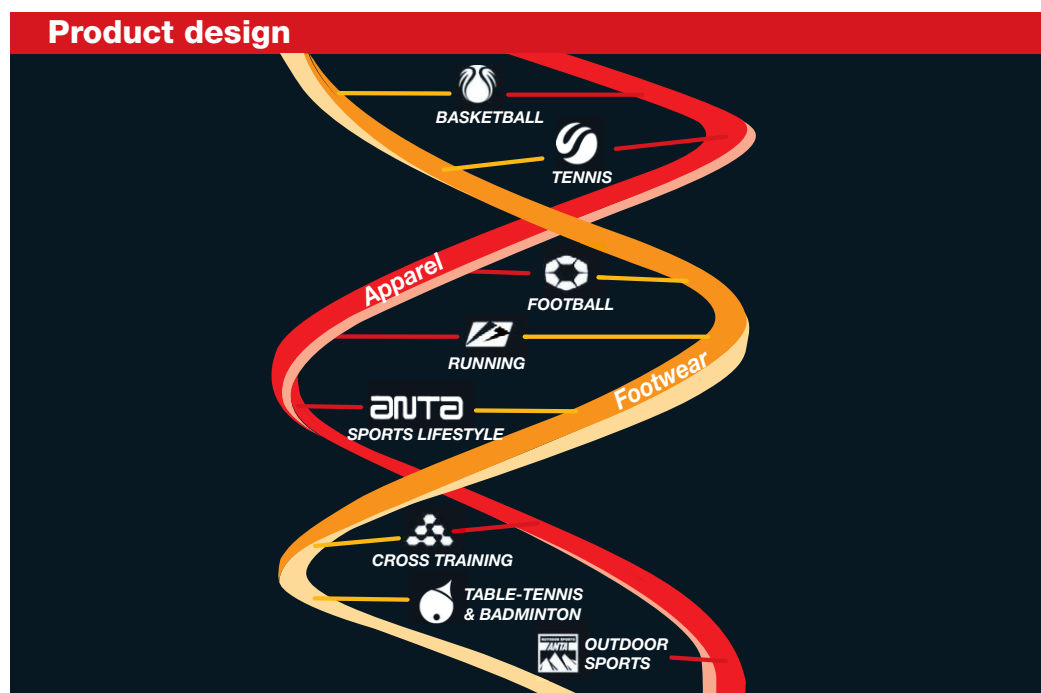
ANTA's Footwear Technology



3. Product Design

ANTA is dedicated to achieving the best mix among improved functionality, technological value, better design and trendy look of products to enhance the enjoyment of wearing our products. Our design department, consisting of local and international talents, is based in Xiamen office. The multi-cultural environment facilitates dynamic inspiration. The Group also collaborates with international design institutions from Japan, United States and Taiwan to leverage each of their expertise. During the period, the Group has introduced more than 1,700 new footwear styles, 1,100 new apparel styles and 1,000 new accessory styles to fulfill different consumer demands.

During the period, the Group has received the “Footwear Design Competition 2009 – Professional Category, Gold Award in Sports Leisure Shoes” organised by the China Leather Association. It is a nationwide competition judged by a group of professionals, media and industry experts based on professionalism and creativity.



4. Quality Control

The Group sees quality control as a full spectrum process and the quality management team is involved in almost every single key manufacturing process as early as the product planning stage. In order to help OEM to improve quality, the Group has supported our key OEM to establish laboratories. We also implement simultaneous checks for raw materials by ANTA Sports and OEM to identify possible problems at the early stage. Also, by carrying out on-site examination, including all finished products at our own factories and suppliers' production facilities, it helps ensure that the quality of finished products complies with the national standards.

The Group has obtained “ISO 9001 Quality Control Certification” for our footwear and apparel. Also, ANTA Sports footwear has

been recognised as “State-designated Products Exempted from Quality Surveillance Inspection” by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC since 2003. Furthermore, the Group actively participates in several national standard setting committees to raise the technical standards of the industry as well as to help align the quality of domestic sportswear products to international standards.

During the period, the Group has received the “CTC 2009 Certificate” – recognising the Group’s efforts in improving the quality control. CTC is a worldwide footwear and leather expert which locates in France with 100 years of experience in assisting footwear companies to improve quality.

Newly-launched significant measures of quality control for the period consisted of:

Quality Control Measures	Content
High Temperature Leather Hydrolysis Test	Test the water resistance and durability of leather products under boiling water for 12 hours.
3-dimensional (“3D”) Foot Scanner	Use the latest stereo photographic technology to recreate highly precise 3D foot models in a fast and fully automatic procedure. It speeds up the customised fitting for footwear process and quality control.



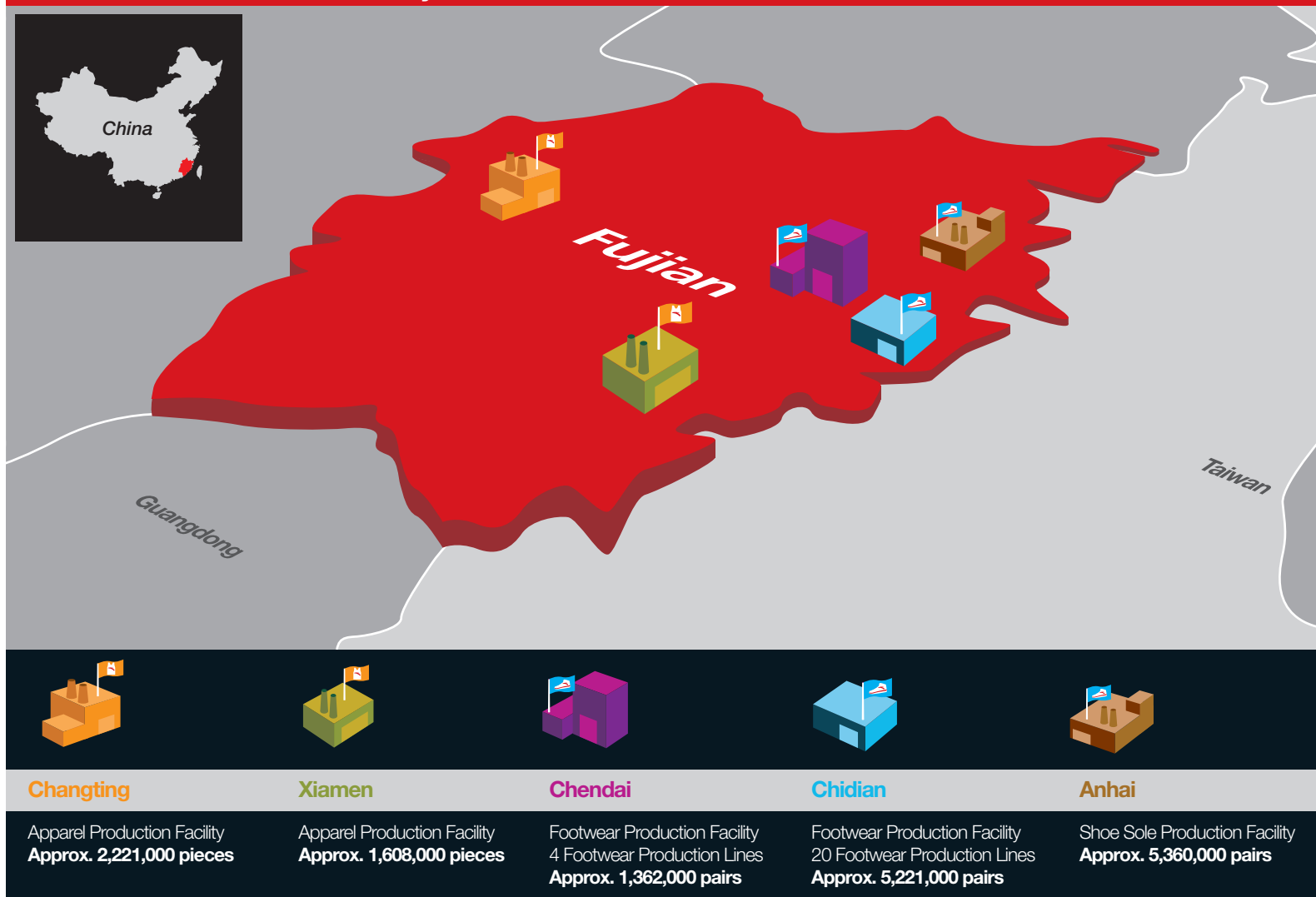
5. Production Capabilities

During the period, the Group strategically optimised the in-house and outsourced production mix to achieve better and timely response to the changing preferences of consumers and market conditions.

The number of footwear production lines increased from 23 at the end of 2008 to 24 as at 30 June 2009. Together with the shoe sole factory and 2 apparel production bases in Xiamen and Changting, the Group produced approximately 6.6 million pairs of footwear and approximately 3.8 million

pieces of apparel during the period. During the period, approximately 35.5% of footwear (end of 2008: 50.0%) and 14.8% of apparel (end of 2008: 11.7%) sold were produced in-house. The following graph sets out the details of production facilities and quantity of products manufactured during the period:

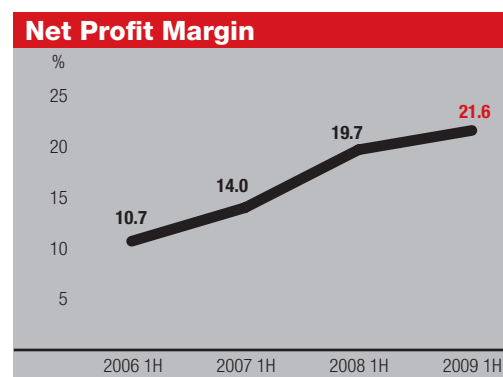
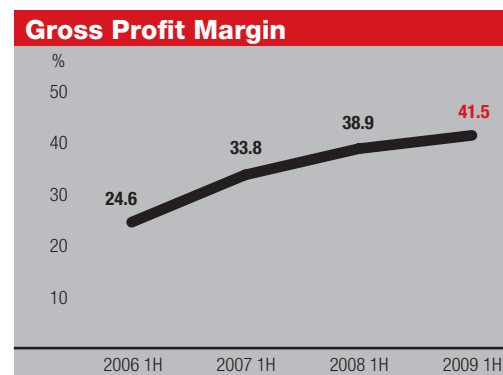
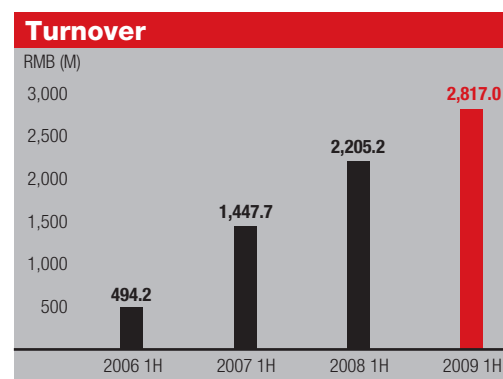
ANTA's Production Bases in Fujian Province



FINANCIAL REVIEW

	Six months ended 30 June		
	2009	2008	Changes
	(RMB million)	(RMB million)	(in %)
Turnover	2,817.0	2,205.2	↑ 27.7
Gross profit	1,169.1	857.0	↑ 36.4
Profit from operations	682.9	418.6	↑ 63.1
Profit attributable to shareholders	608.3	434.3	↑ 40.1
Free cash inflow	537.3	408.2	↑ 31.6
	(RMB cents)	(RMB cents)	(in %)
Earnings per share			
– Basic	24.43	17.44	↑ 40.1
– Diluted	24.39	17.39	↑ 40.3
Shareholders' equity per share	188.54	170.77	↑ 10.4
	(HK cents)	(HK cents)	(in %)
Interim dividend per share	12	10	↑ 20.0
	(in %)	(in %)	(in % points)
Gross profit margin	41.5	38.9	↑ 2.6
Operating profit margin	24.2	19.0	↑ 5.2
Net profit margin	21.6	19.7	↑ 1.9
Effective tax rate	14.3	8.3	↑ 6.0
Advertising and promotional expenses (as a percentage of turnover)	11.2	14.0	↓ 2.8
Staff costs (as a percentage of turnover)	8.4	7.1	↑ 1.3
R&D costs (as a percentage of cost of sales)	3.3	3.1	↑ 0.2

	As at 30 June	
	2009	2008
Average total shareholders' equity to average total assets	88.8	89.8
Return on average total shareholders' equity (annualised)	26.7	20.8
Return on average total assets (annualised)	23.7	18.7
	(in 181 days)	(in 182 days)
Average inventory turnover days	43	46
Average trade receivables turnover days	15	17
Average trade payables turnover days	32	39



Notes:

- (1) Return on average total shareholders' equity is equal to the profit attributable to the shareholders divided by the average balance of total shareholders' equity.
- (2) Return on average total assets is equal to the profit attributable to the shareholders divided by the average balance of total assets.
- (3) Average inventory turnover days is equal to the average balance of inventories divided by the cost of sales and multiplied by the number of days in the relevant period.
- (4) Average trade receivables turnover days is equal to the average balance of trade receivables divided by the turnover and multiplied by the number of days in the relevant period.
- (5) Average trade payables turnover days is equal to the average balance of trade payables divided by the cost of sales and multiplied by the number of days in the relevant period.



MANAGEMENT DISCUSSION AND ANALYSIS

Turnover Breakdown by Products

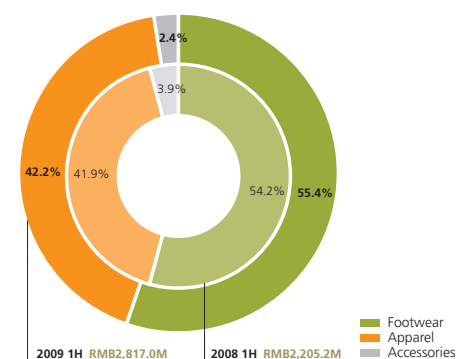
The following table sets out the contribution to the turnover by product categories for the period:

	Six months ended 30 June				
	2009		2008		Changes (in %)
	(RMB million)	% of turnover	(RMB million)	% of turnover	
Footwear	1,560.2	55.4	1,195.1	54.2	30.5
Apparel	1,188.3	42.2	923.2	41.9	28.7
Accessories	68.5	2.4	86.9	3.9	(21.2)
	2,817.0	100.0	2,205.2	100.0	27.7

During the period, turnover increased by 27.7% as compared with the same period in 2008 because of the increase in average selling prices on both wholesale and retail levels, additional product offerings and expansion of the distribution network.

The share of footwear sales increased slightly

from 54.2% for the first half of 2008 to 55.4% for the period, while the share of apparel and accessories in sales decreased slightly from 45.8% for the first half of 2008 to 44.6% for the period. It reflected that footwear was relatively well received by the market. A wide range of product lines also reduced fluctuations in the product mix.



Turnover Breakdown by Regions

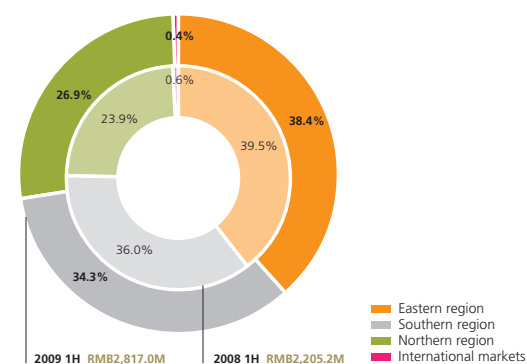
The following table sets out the contribution to the turnover by regions for the period:

	Six months ended 30 June				
	2009		2008 Restated ⁽⁵⁾		Changes (in %)
	(RMB million)	% of turnover	(RMB million)	% of turnover	
Eastern region ⁽¹⁾	1,080.7	38.4	870.2	39.5	24.2
Southern region ⁽²⁾	965.3	34.3	793.2	36.0	21.7
Northern region ⁽³⁾	758.0	26.9	528.4	23.9	43.5
China market	2,804.0	99.6	2,191.8	99.4	27.9
International markets ⁽⁴⁾	13.0	0.4	13.4	0.6	(3.0)
	2,817.0	100.0	2,205.2	100.0	27.7

Notes:

- (1) Eastern region includes Hunan, Hubei, Anhui, Jiangxi, Zhejiang, Jiangsu and Shanghai.
- (2) Southern region includes Guangdong, Guangxi, Fujian, Hainan, Guizhou, Yunnan, Sichuan, Chongqing and Tibet.
- (3) Northern region includes Beijing, Hebei, Inner Mongolia, Shanxi, Henan, Shandong, Gansu, Ningxia, Qinghai, Tianjin, Xinjiang, Shaanxi, Liaoning, Heilongjiang and Jilin.
- (4) International markets include Eastern Europe, Middle East and Southeast Asia.
- (5) The comparative figures of eastern and northern regions have been restated as the Group has strategically moved Henan market from the eastern region to the northern region to balance the efforts on market development among the regions.

The increase in turnover in the northern region was notable, primarily due to the opening of new flagship store in Xian, the renovation of flagship store in Shenyang and the expansion of the distribution network in those markets with high population density such as Shandong and Henan during the period.



Analysis of Average Selling Prices/Costs and Total Units Sold

The following table sets out the total number of units and the average selling prices/costs per unit of footwear and apparel sold respectively for the period:

	Six months ended 30 June								
	Total no. of units sold (thousand)	2009 Average Selling prices (RMB)	Average costs (RMB)	Total no. of units sold (thousand)	2008 Average Selling prices (RMB)	Average costs (RMB)	Total no. of units sold (in %)	Changes Average Selling prices (in %)	Average costs (in %)
Footwear	16,431	95.0	54.5	12,979	92.1	55.9	26.6	↑3.1	↓2.5
Apparel	25,700	46.3	27.7	21,071	43.8	27.2	22.0	↑5.7	↑1.8

Notes:

- (1) We do not include details of the total units sold and the average selling price for the accessory products because we have a broad range of accessory products that vary significantly in terms of unit prices. We believe that a unit-based analysis of this product category is not meaningful.
- (2) Average selling price represents the turnover for the period divided by the total units sold during the period. Average cost represents the cost of goods sold for the period divided by the total number of units sold during the period.

The increase in average selling prices was mainly contributed by the following factors:

- Increase in consumers' disposable income and demand on sports and health products in China and strengthening of brand desirability have contributed significantly to the average increase in our suggested retail prices; and
- The enhancement of our brand image and the provision of more supports and services to the distributors have contributed to the increase in our ex-factory prices.

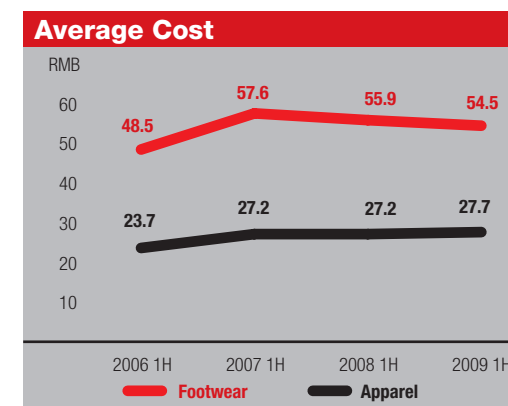
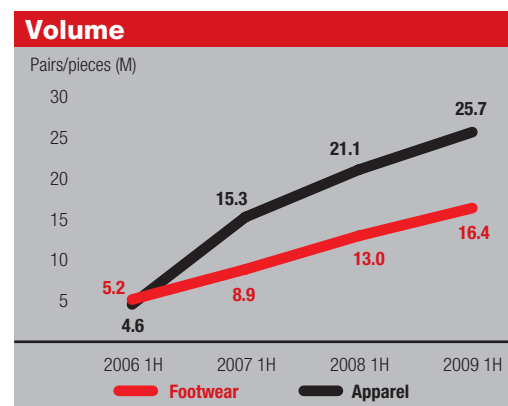
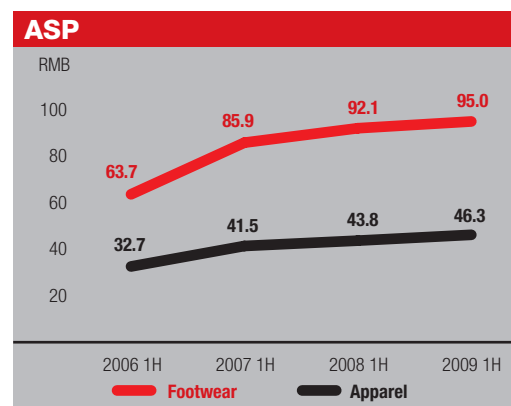
The increase in quantities purchased by the distributors was mainly contributed by the following factors:

- Enhancement of brand and store image and the opening of flagship stores at prime locations are crucial factors for improving the quality of the distribution network and creating opportunity for further expansion of the distribution network to other potential markets. During the period, the number of ANTA stores and the total sales floor area have been increased; and
- The Group has developed a wide range of product lines to meet the demand of various markets in China.

The decrease in average costs of footwear was mainly due to the following factors:

- Expansion of capacity in shoe sole factory;
- Purchase of raw materials in advance to reduce the impact of price fluctuations; and
- Purchase of raw materials together with OEM/ODM in order to strengthen the Group's bargaining power and enjoy the mass-purchase discount.

The increase in average costs of apparel was mainly due to expansion of our design team.



MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales Breakdown by Production and Procurement

The following table sets out the breakdown of the Group's cost of sales by production and procurement and the percentage of such costs to the total cost of sales for the period:

	Six months ended 30 June				
	2009		2008		Changes (in %)
	(RMB million)	% of cost of sales	(RMB million)	% of cost of sales	
Self-production					
Raw materials	189.5	11.5	237.7	17.7	(20.3)
Direct labour	120.1	7.3	71.8	5.3	67.3
Overhead	82.8	5.0	85.7	6.4	(3.4)
	392.4	23.8	395.2	29.4	(0.7)
Sub-contracting arrangement					
Raw materials	106.6	6.5	195.9	14.5	(45.6)
Sub-contracting charges *	89.6	5.4	97.6	7.2	(8.2)
	196.2	11.9	293.5	21.7	(33.2)
Outsourced production					
OEM/ODM	1,059.3	64.3	659.5	48.9	60.6
Total	1,647.9	100.0	1,348.2	100.0	22.2

* The sub-contracting charges stated in note 5 of the condensed consolidated interim financial statements included raw material processing fee. Such fee is included in the cost of raw materials in this analysis.

The Group has adopted a sub-contracting arrangement to meet the increasing demand of distributors rather than only relying on OEM/ODM because the Group is able to increase its lateral production capacity while maintaining control over several production processes.

In respect of self-production, during the period, change in direct labour costs is higher than that of raw material costs as compared to the same period in 2008 due to the increase in staff welfare and allowances. Overhead costs decreased mainly due to the economies of scale in production.

Gross Profit and Gross Profit Margin Breakdown by Product Mix

The following table sets out the gross profit and the gross profit margin by product mix for the period:

	Six months ended 30 June				
	2009		2008		Changes in gross profit margin
	Gross profit (RMB million)	Gross profit margin (in %)	Gross profit (RMB million)	Gross profit margin (in %)	
Footwear	664.2	42.6	469.5	39.3	3.3
Apparel	476.7	40.1	350.5	38.0	2.1
Accessories	28.2	41.2	37.0	42.6	(1.4)
Overall	1,169.1	41.5	857.0	38.9	2.6

As the increase in average selling prices for footwear and apparel were greater than the changes in average costs of footwear and apparel, the gross profit margins for both products increased during the period.



Other Revenue

Other revenue for the period mainly represented government grants of RMB11.5 million.

Operating Expenses Ratios

The ratio of advertising and promotional expenses to turnover has decreased by 2.8% points for the period as relatively more sponsorship events will be held in the second half of 2009. The ratio of staff costs to turnover has increased by 1.3% points for the period as our management team has further expanded to meet the growth of the business and more staff benefits have been provided. The ratio of R&D costs to cost of sales has increased by 0.2% points reflecting our continuous efforts on expanding our R&D capabilities and quality control.

Operating Profit Margin

Operating profit margin increased by 5.2% points which is higher than the 2.6% points increase in the gross profit margin for the period. This was mainly caused by the decrease in advertising and promotional expenses from 14.0% of turnover in the first half of 2008 to 11.2% in the period.

Finance Income

The decrease in finance income was mainly due to the reduction in market interest rates during the period.

Effective Tax Rate

The effective tax rate increased from 8.3% in the first half of 2008 to 14.3% in the period mainly because of the following:

- Certain subsidiaries in the PRC which were entitled to either tax exemption or a lower

preferential tax rate in 2008 have been subject to a higher preferential tax rate since 1 January 2009;

- Non-taxable interest income derived from bank deposits in Hong Kong has reduced; and
- Distributions of the earnings accumulated since 1 January 2008 of a foreign-invested enterprise in PRC to a Hong Kong incorporated foreign investor is subject to a dividend withholding tax of 5%. The Group has estimated future dividends that are likely to be distributed by these foreign-invested subsidiaries. Accordingly, deferred tax liabilities were recognised in respect of the dividend withholding tax for the period.

Net Profit Margin

The net profit margin increased by 1.9% points which is lower than the 5.2% points increase in operating profit margin for the period, as a consequence of the decrease in finance income and the increase in the tax provision.

Dividends

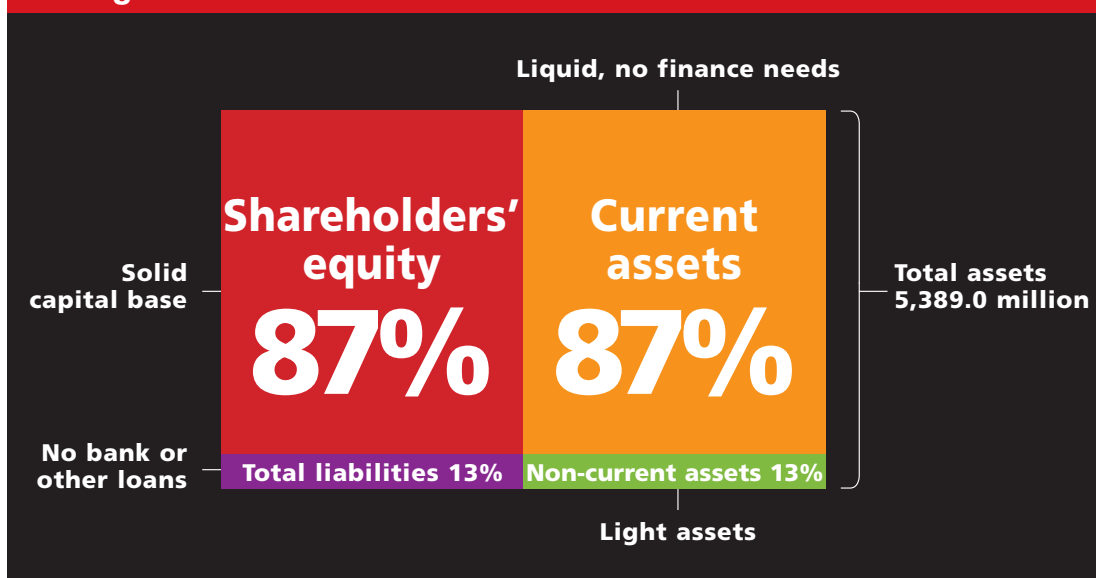
The Company's Board has recommended an interim dividend of HK12 cents per ordinary share for the period, representing a total payout of RMB263.5 million (2008: RMB218.7 million), or a distribution of 43.3% (2008: 50.4%) of the period's profit.

Assets/Liabilities Turnover Ratio

Despite the remarkable growth of turnover and scale of operation, the Group has successfully implemented measures to control the inventory level and credit risk. The average inventory turnover days and the average trade receivable turnover days have further improved when compared with the same period in 2008.

The average trade payable turnover days decreased from 39 days for the first half of 2008 to 32 days for the first half of 2009 because the Group accelerated the payment of trade payables so as to obtain preferential terms on mass-purchases.

Strong Financial Position



Liquidity and Financial Resources

As at 30 June 2009, the cash and cash equivalents of the Group amounted to RMB2,068.7 million (placement of fixed deposits held at banks with maturity over three months totalling RMB1,568.0 million is regarded as an investing activity), representing a decrease of RMB1,203.0 million as compared with the total cash balance of RMB3,271.7 million as at 31 December 2008. However, the total cash and bank balance (including pledged deposits) was RMB3,646.3 million as at 30 June 2009 while the comparative balance as at 30 June 2008 was RMB3,302.0 million, representing a 10.4% increase.

- Cash inflows from operating activities amounted to RMB607.7 million, representing improved management of working capital and outstanding operating results.
- Cash outflows from investing activities amounted to RMB1,416.8 million, comprising mainly the net increase in placement of fixed deposits held at banks with maturity over three months by RMB1,346.4 million, capital expenditure for property, plant and equipment totalling RMB19.3 million, and payments for construction of factory premises and an operational centre amounting to RMB35.1 million.
- Cash outflows from financing activities amounted to RMB392.8 million, representing the payment of the final and special dividends in respect of the year 2008 and the cash proceeds on exercise of share options totalling RMB2.1 million.
- Impact on appreciation of the Renminbi amounted to RMB1.1 million.

A table analysing the Group's free cash inflow as at 30 June 2008 and 2009 was disclosed here. Free cash flow represents operating cash flow minus capital expenditure.

As at 30 June 2009, total assets of the Group were RMB5,389.0 million of which current assets were RMB4,703.8 million. Total liabilities were RMB693.2 million and total equity amounted to RMB4,695.8 million. In addition, there were no outstanding bank loans, bonds or debentures.

	Six months ended 30 June	
	2009	2008
	RMB million	RMB million
Operating cash inflow	607.7	489.5
Disposal of subsidiaries	–	(14.7)
Capital expenditure	(72.5)	(69.4)
Others	2.1	2.8
Free cash inflow	537.3	408.2
Cash and bank balances (including pledged deposits)	3,646.3	3,302.0

Due to strong growth of profit attributable to shareholders, the annualised return on average total shareholders' equity increased from 20.8% for the first half of 2008 to 26.7% for the period and the annualised return on average total assets increased from 18.7% for the first half of 2008 to 23.7% for the period.

Pledge of Assets

As at 30 June 2009, the Group had bank deposits of RMB9.6 million pledged (as at 31 December 2008: RMB0.2 million) to secure bankers' documentary credits for certain construction projects.

Capital Commitments and Contingencies

As at 30 June 2009, the Group has capital commitments of RMB180.8 million, primarily related to the expansion of our footwear production facilities in Jinjiang, development of new information management systems and the establishment of an operational centre in Xiamen.

As at 30 June 2009, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceedings, nor are there any pending or potential material legal proceedings involving the Group.

Financial Management Policies

The Group continues to control financial risks in a prudent manner and proactively

adopts internationally recognised corporate management standards to safeguard the interests of shareholders. As the functional currency of the Company is the Hong Kong Dollar and the Company's financial statements are translated into Renminbi for reporting and consolidation purposes, foreign exchange differences arising from the translation of financial statements are directly recognised in equity as a separate reserve. As the Group conducts business transactions principally in Renminbi, the exchange rate risk at the Group's operational level is not significant. Accordingly, the Group does not employ any financial instruments for hedging purposes. Nevertheless, the management continues to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when needed.

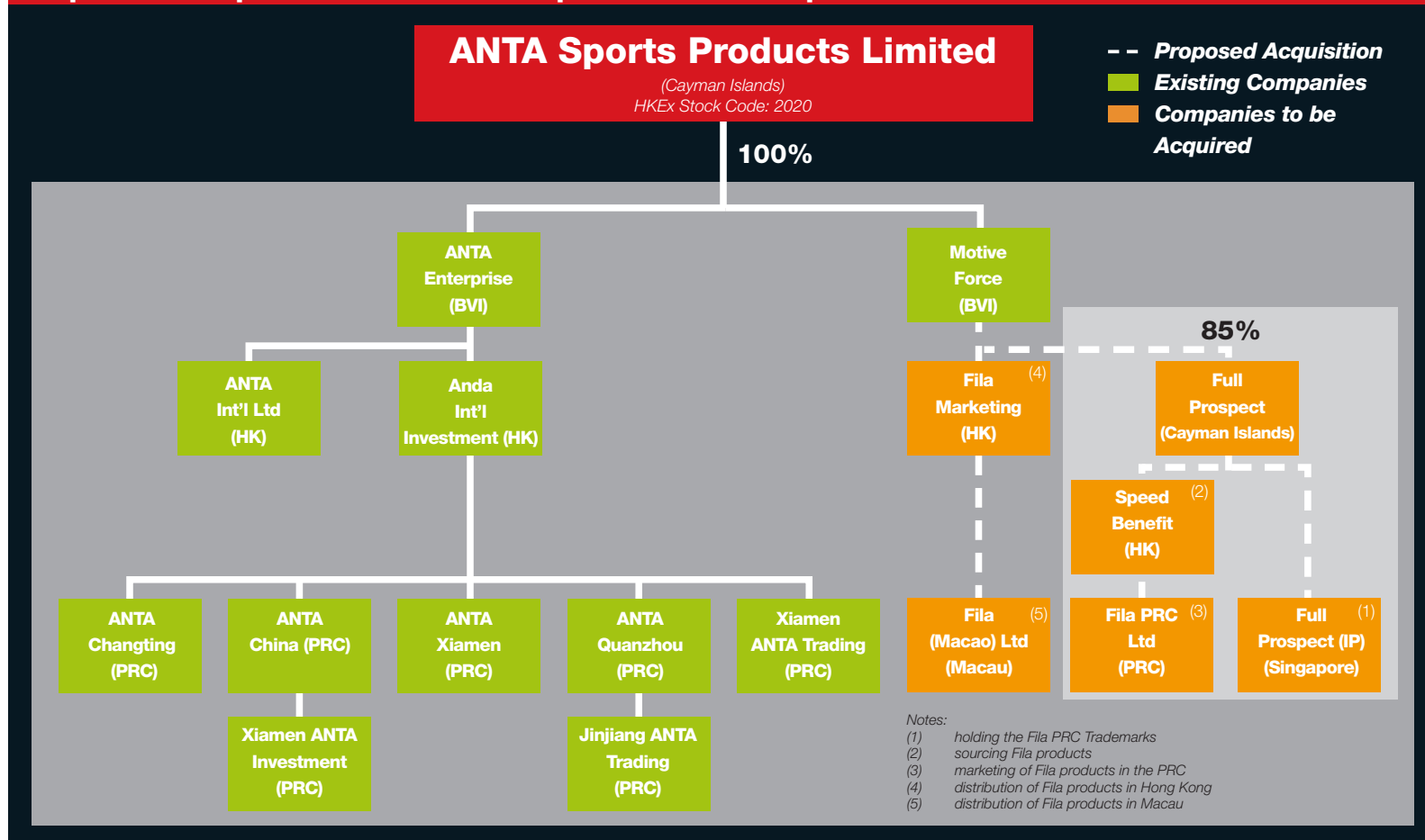
Significant Investments and Acquisitions

As a business strategy, the Group plans to seek business opportunities such as acquisition of and cooperation with international sportswear brands to expand our coverage to the high-end sportswear market. During the period, the Group has made no significant investments or any material acquisition or disposal of subsidiaries.

On 12 August 2009, the Group entered into various agreements to acquire the Fila trademarks related to the "FILA" brand ("Fila PRC Trademarks") in the Mainland China, Hong Kong and Macau through the acquisition of 85% equity interest in Full Prospect Limited ("Full Prosect") and the business of retailing sportswear products bearing the Fila PRC Trademarks in Hong Kong and Macau through the acquisition of the entire equity interest in Fila Marketing (Hong Kong) Limited ("Fila



Proposed Group Structure After Completion of the Acquisitions



Marketing”). The completion of these proposed acquisitions is subject to certain conditions precedent being fulfilled, including the consent or approval of the Anti-Monopoly Bureau of the Ministry of Commerce of the PRC in relation to the PRC Antitrust filing.

The “FILA” brand is a well-known global sportswear brand targeting the high-end market segment. The proposed acquisition represents a good opportunity for us to expand our coverage to the high-end sportswear market in the PRC while operating the Fila retail stores in Hong Kong and Macau is strategically important for developing reputation of the brand in the PRC market.

	Acquisition of Full Prospect	Acquisition of Fila Marketing
Equity interests to be acquired	85%	100%
Purchase consideration *	RMB332,351,000	HK\$1

* The purchase consideration will be subjected to adjustments.

The consideration will be funded from the internal resources of the Group.

In addition to the purchase consideration set out above, the Group will also have to repay the shareholders’ loans to the respective sellers.

By way of reference, the shareholders’ loans in respect of Full Prospect and Fila Marketing as at 30 June 2009 were approximately RMB83,418,000 and HK\$29,432,000 respectively.



PROSPECTS

Helped by increasing domestic demand, China's economy is gradually recovering despite severe uncertainty cast on the worldwide economy. The Group sees enormous potential by strategically capturing the demand of the fast-growing sportswear market segments and strengthening our competitive advantages. The Group also strives to maintain the balance between sustainable growth and our overall financial health, including brand value and the distribution network.

Sponsorship and Endorsement

In the area of sponsorship and endorsement, the Group has made a great leap forward during the period. The strategic sponsorship between the COC and ANTA Sports will help gain brand exposure in China and worldwide. The CSD will be outfitted by ANTA sportswear at awards ceremonies of the Hanoi Asian Indoor Games and the Hong Kong East Asian Games which are going to be held in the second half of 2009. The Group will also work closely with the COC to promote the Olympic spirit

and sports development through various promotional campaigns in China. The first activity is the "Outfit Design Competition for Chinese athletes for the 2010 Guangzhou Asian Games". The selected sportswear design may have a chance to appear on winning Chinese Athletes on the podium at the awards ceremony in the 2010 Guangzhou Asian Games.

Through sponsoring various professional and popular sports leagues, and consumer interaction activities in China, we have been able to strengthen the recognition of and loyalty to our brand and sportswear in various communities.

The endorsement of Jelena Jankovic and Zheng Jie has empowered the Group's drive to raise the popularity of tennis in the domestic market. The "Tennis Duo" will compete in international matches in ANTA sportswear. Their outstanding



achievement and electrifying performance in top-tier matches will help guarantee enhanced exposure and increased credibility for our brand.

In the coming years, tennis products will be a key focus of the Group. Endorsers' designated tennis series will be introduced to the mass market in China. To boost awareness and receptiveness of our brand and products, the Group is launching a tennis promotion campaign, "Dare to be Perfect", which includes TVC and POP advertising. Furthermore, the Group is going to sponsor a number of tennis events that are aimed at nurturing future tennis stars in China, including China Tennis Grand Prix, "Swings for the Stars" Junior Tennis Camp, and the University Tennis Challenge.

ANTA has gained wider recognition for our brand through various sponsorships of sports leagues and athlete endorsements. The Group will continue to work closely with existing sponsorship resources such as the CBA and National Volleyball League to enhance the impact of regional promotion campaigns by inviting famous league teams to interact with fans. Additionally, the Group is dedicated to cultivating sports high fliers and continue to consider outstanding athletes for opportunities in strategic sponsorships.



Market and Product Diversification

As a result of rising disposable income and improving living standards, the Group believes the outlook for the sportswear market is promising in the long run, particularly when the general public is more aware of health issues and has more exposure to various sports activities. In view of that, the Group has made plans to reinforce our market and product diversification strategies. While ensuring a further penetration in our core markets – the basketball and running segments – the Group will enrich our tennis sportswear products. As the popularity of tennis grows in China, the Group has every confidence that our tennis business will be further enhanced in the future with the support of the “Tennis Duo” campaign.

Growing sophistication among consumers for quality products has prompted more efforts on product innovation and quality assurance. By leveraging our strong R&D capabilities, the Group strives to enhance the functionality and quality of our performance-based products to offer consumers higher levels of comfort and protection. We will also introduce more trendy



and personalised products by adding stylish elements to enhance the appeal of our Sports Lifestyle series to young and trendy consumers.

Store Expansion Plan In 2009

ANTA Stores
6,400

Kids Series Stores
200

Sports Lifestyle Series Stores
200

Strategic Expansion of Distribution Network

The Group continues to expand and optimise the retail network in the fast-growing second and third-tier markets. The Group also aims to strengthen our brand presence in cities with high growth potential and to enhance the image and size of the stores. The Group will continue to provide distributors and retailers with regular trainings, guidelines, and timely market information updates to enhance their operating efficiency, product and market knowledge, product display and customer service quality.

Optimisation of Supply Chain and Operational Management

The Group regularly optimises our supply chain management system in order to improve our overall cost efficiency as well as responsiveness to market trends. We are dedicated to helping our material suppliers and OEM/ODM to enhance their operations and efficiency by providing guidance, feedback and training on logistics and inventory management systems.

To further enhance our operation efficiency in the long run, the Group will optimise our internal management systems. The Group will also upgrade our information systems and progressively increase the ratio of ERP coverage in ANTA Sports' POS throughout China. Such measures will broaden the scope of information gathered and facilitate our timely analysis of and response to changes in market trends and consumers' preference.

Enhanced R&D and Quality Control Capabilities

Functionality and comfort of sportswear are the keys to success in our business. To enhance our R&D capabilities, the Group continuously strengthens our collaborations with international and local design and R&D institutions, and invests in innovation. To further enhance our product differentiation, we continue to upgrade existing and launch new technologies, and constantly refresh our product portfolio to target the latest trends in the market, while keeping a close eye on quality control.

Market and Product Diversification





GOAL

ENERGY

TR

ENERGY

PASSION

PASSION

PAS

SPIRIT

ENERGY

SPIRIT

SPIRIT

GOAL

SPIRIT

BRAVE

CONFIDENCE

ENERGY

ANTA

SPIRIT

ENERGY

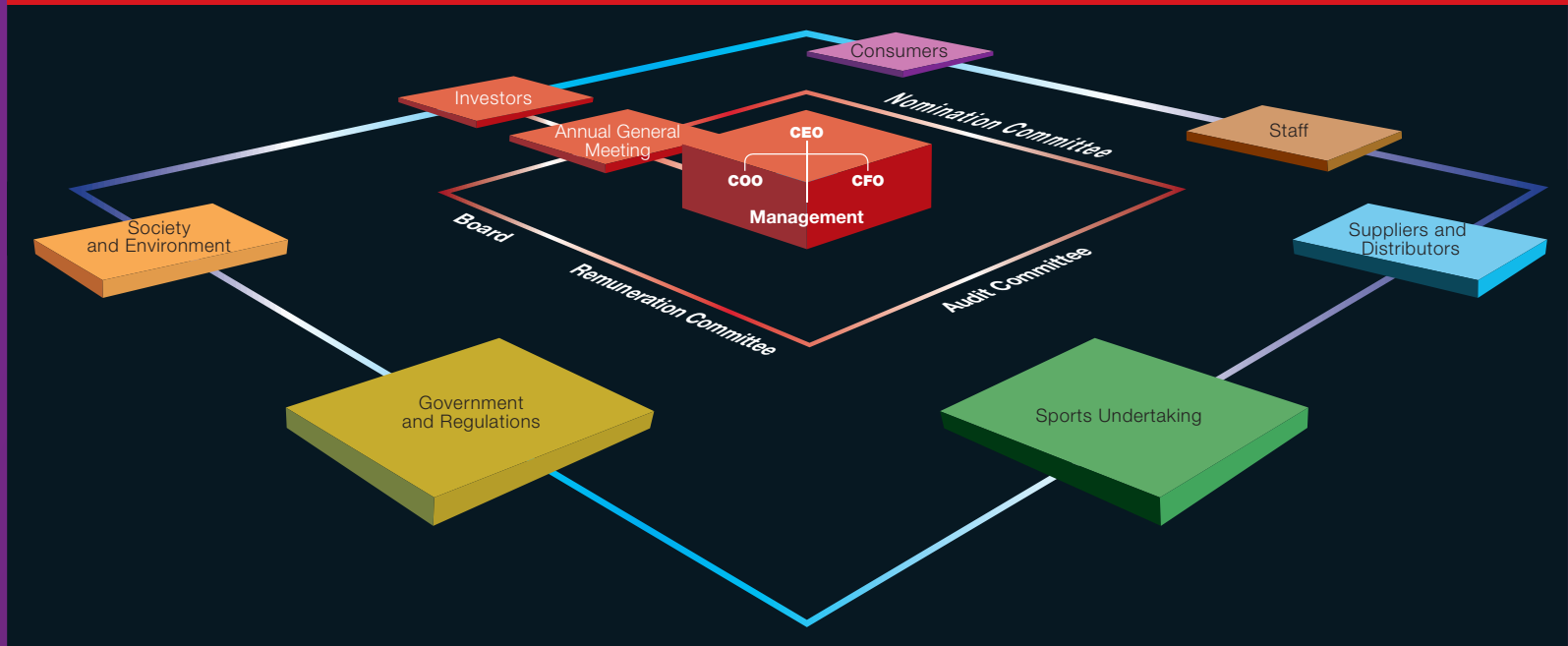
TRAINING

TRAINING

PASSION

Scola led the team and rolled into the western conference semi-finals for the first time since 1997, averaged 14.4 points and 8.4 rebounds in playoffs to forcing the series to game 7

Corporate Social Responsibility



ANTA Sports is committed to promoting the harmonious development of the community, industry and environment it operates in as a responsible corporate citizen. The Group is not only dedicated to the sharing of ANTA's success with our employees and business partners but also to achieve continuous, healthy growth with them.

ANTA and Society

1. Helping the Industry Advance

The Group is fully committed to the development of China's sportswear industry. Through our memberships in bodies such as The Sporting Goods Standardisation Committee and The Sportswear Technology Sub-Committee, The National Shoes Manufacturing Standardisation Committee and The National Apparel Standardisation

Committee, the Group actively participates in the establishment and continuous improvement of sportswear products quality standards in the country.

2. Promoting Sports Undertaking

Anta Sports is dedicated to bolstering the sports development and popularisation in China. Riding on the Group's partnership with COC, we will jointly promote the Olympic spirit and "Sports For All" movement in the coming years. The Group also sponsors various top-tier sports leagues with the aim to arouse Chinese people's, especially the youth, interest and participation in different sports events as well as their health awareness. All these measures will help promote an energetic and healthy lifestyle among the Chinese community.

3. Conserving the Environment

The Group is conscious of our responsibility to protect the environment. The Group strictly complies with relevant environmental regulations and rules, and gains all necessary permissions and approvals from related regulators.

In addition, the Group conserves resources through promoting green concepts among employees. Several eco-friendly measures are implemented in both factories and the workplace. For instance, production machineries are regularly inspected to save energy. The Group also encourages shareholders to join us in conservation by opting for e-communication.





4. Addressing Community Needs

ANTA Sports is a strong supporter of charitable ideals, regularly encouraging our staff, endorses players and customers to engage in philanthropic work. Soon after the devastating Sichuan earthquake last year, ANTA sprang to action with disaster relief efforts. This year, the Group supported the charity visit by Zheng Jie who not only offered warm wishes and support to the quake survivors, but also tennis lessons to the local children and the wheelchair tennis team. The Group gave away Kids sportswear series products, much to the delight of the local children. In May, the Group mobilised the collection of well wishes for quake survivors at the grand opening of our Guangzhou store, which resulted in a singularly heart-warming message united by 6,000 signatures.

The Group is also a dedicated supporter of our employees' voluntary community work. During the period, our employees

have held activities including a charity sale and an environmental education program in collaboration with charities such as Jinjiang Red Cross and the Quanzhou Youth Volunteer Association.

5. Developing Youth

Our youth are the leaders of the future and their education is one of the most important aspects in the development of our nation. We actively support local youth education through a wide range of initiatives including donations towards improving their learning environment.

ANTA and Staff

Our employees are our greatest asset. The Group is committed to providing an environment that helps cultivate employees' talents and potential to the fullest as well as attracts and retains the best talents in the industry. As at 30 June 2009, the Group had approximately 13,800 employees (end of 2008: 10,400 employees).

1. Cultivating a Corporate Culture of Excellence

A set of well established corporate culture and values is key to organisational excellence and the long-term success of any business. Our employees are guided by our core values in their conducts: "Brand Above All", "Innovation and Creation", "Focus and Practicality", "Integrity and Gratitude". In early 2009, the Group embarked on a "Corporate Culture Project" which aimed to help our employees live out those values through a series of campaigns over the next three years.

Effective organisational communication is critical to promote team spirit and a sense of belonging among our staff. Apart from inviting employees to join in on popular outings, the Group also organised activities such as "Meet the Management" and "Care Programme for New Entrants" to facilitate trust and understanding. In addition, the internal publication "ANTA Youth" serves as a platform to communicate the Group's latest development and staff's views.

2. Providing a Nurturing Workplace Environment

By providing a nurturing workplace environment to our staff, ANTA Sports seeks to increase staff morale and enhance the productivity and competitiveness of the Group as a whole. Based on our established performance appraisal system, the Group treats all staff fairly and offers competitive remunerations to motivate talents. We have also simplified and standardised daily operating procedures and workflows to enhance staff efficiency.

To equip our staff with the skills they need and prepare them for challenges, the Group offers extensive training programs, including work-related subjects as well as soft skill training. In addition to in-house training, the Group also collaborates with external training providers to enrich the professionalism of our work force.

To help our staff achieve a balanced work life, the Group regularly organises leisure activities such as basketball and soccer games, choir and sports day.

3. *Protecting Labour Rights*

The Group strictly complies with the laws, regulations and industry practices, such as entering into employment contracts and providing welfare for staff. We forbid child labour and forced labour throughout our operations and uphold gender equality in the workplace through “equal work, equal pay” policies. The Group has set out and implemented strict safety guidelines at factories while also providing workers with adequate protection gears to avoid workplace injuries. It is also part of our welfare program to offer health check to staff each year.

ANTA and Consumers

The Group continues to enhance the value of products and services offered to customers. Therefore, the Group regularly conducts internal and external market surveys and develops various channels to interact with consumers to gain market insight. We value customer feedback and a customer service hotline and email has been set up to enable us to address their enquiries directly.

ANTA and Distributors and Franchisees

The success of our distributors and franchisees ensures the prosperous growth of our business. ANTA is committed to the growth of those long-term partnerships. The support that we offer our distributors and franchisees include information and resources sharing, regular training and the provision of standardised display and promotional materials to help retail sell-through. We also value feedback from the distribution network for future improvements.

ANTA and Suppliers

The Group is dedicated to enhancing our partnership with suppliers while adding value to their management quality. We have actively provided advice in optimising suppliers’ workflow and enhancing their management, operational as well as R&D capabilities. For instance, the Group assisted certain OEM and raw materials suppliers to set up laboratories and provided them with quality control guidelines and technical support. Through the above measures, the quality of suppliers’ management and operation and thus their profitability can be enhanced, which in turn strengthens our quality control efforts.

ANTA and Investors

The Group disseminates the latest information to investors and the public in strict compliance with the Listing Rules, under which periodic updates and reports are distributed in a proactive and timely manner. To facilitate the interactive communication between senior management and the stakeholders, the Group regularly

hosts shareholder meetings, investors/analysts briefings and meetings, press conferences and company visits. In addition, the Group organises roadshows and attends investor conferences to meet with global investors and shareholders. Investors can also obtain useful information and updates from ANTA’s brand and investor relations websites (<http://www.anta.com> and <http://ir.anta.com>).

To enhance a multi-faceted communication with the public, the Group also gathers research reports and market views so as to respond to suggestions and comments.

The Group’s commitment to maintaining quality communication with our stakeholders has gained public recognitions over the years. In a 2009 opinion poll by FinanceAsia for the China region, the Group was named winner in the categories of “Best Mid-cap Company”, “Best Managed Company”, “Best Corporate Social Responsibility” and “Most Committed to a Strong Dividend Policy”. Our investor relations website also won a bronze award in the category of athletics at Mercury Awards 2008.



Wang Hao won the male singles title by 4-0 at the World Table Tennis Championships in Yokohama, Japan, securing his position of world No. 1



GOAL

ENERGY

PASSION

SPIRIT

BRAVERY

ENERGY

TRAINING

TRAINING

PASSION

ENERGY

GOAL

POWER

ENERGY

PASSION

ENERGY

TRAINING

PASSION

ANTAZA

PASSION

SPIRIT

SPIRIT

SPIRIT

SPIRIT

ANTAZA

PASSION





Review Report to the Board of Directors of
ANTA Sports Products Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 42 to 52 which comprises the condensed consolidated statement of financial position of ANTA Sports Products Limited as of 30 June 2009 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board. The Directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting.

A handwritten signature in black ink, appearing to be 'G. Wong'.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

17 August 2009



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2009 RMB'000	2008 RMB'000
Continuing operations			
Turnover	3	2,817,022	2,205,201
Cost of sales		(1,647,968)	(1,348,202)
Gross profit		1,169,054	856,999
Other revenue		14,279	16,150
Other net income/(loss)		493	(356)
Selling and distribution expenses		(396,263)	(358,263)
Administrative expenses		(104,664)	(95,899)
Profit from operations		682,899	418,631
Finance income	4	26,432	63,512
Profit before taxation	5	709,331	482,143
Taxation	6	(101,071)	(39,998)
Profit from continuing operations		608,260	442,145
Discontinued operations			
Loss from discontinued operations	7	-	(7,858)
PROFIT FOR THE PERIOD		608,260	434,287
Other comprehensive income for the period			
Exchange difference on translation of financial statements of operations outside China		(1,095)	(151,254)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		607,165	283,033
		RMB cents	RMB cents
Earnings/(loss) per share	8		
From continuing and discontinued operations			
– Basic		24.43	17.44
– Diluted		24.39	17.39
From continuing operations			
– Basic		24.43	17.76
– Diluted		24.39	17.70
From discontinued operations			
– Basic		N/A	(0.32)
– Diluted		N/A	(0.31)

The accompanying notes form part of this interim financial report. Details of dividends payable to shareholders of the Company are set out in note 18(h).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009 – unaudited
(Expressed in Renminbi)

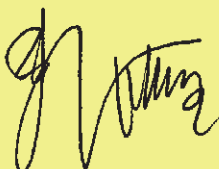
	Note	30 June 2009 RMB'000	31 December 2008 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	9	514,556	452,154
Construction in progress	10	100,661	86,541
Lease prepayments	11	29,202	27,581
Prepayments for the acquisition of land use rights	11	35,465	22,101
Intangible assets	12	5,289	4,087
Total non-current assets		685,173	592,464
Current assets			
Inventories	13	456,413	332,510
Trade and other receivables	14	601,142	524,010
Pledged deposits	15	9,640	184
Fixed deposits held at banks with maturity over three months	16	1,568,000	221,640
Cash and cash equivalents	16	2,068,651	3,271,674
Total current assets		4,703,846	4,350,018
Total assets		5,389,019	4,942,482
Current liabilities			
Trade and other payables	17	620,135	437,151
Amounts due to related parties	21(b)	1,168	1,551
Current taxation	19(a)	50,666	22,908
Total current liabilities		671,969	461,610
Net current assets		4,031,877	3,888,408
Total assets less current liabilities		4,717,050	4,480,872
Non-current liabilities			
Deferred tax liabilities	19(b)	21,244	–
Total liabilities		693,213	461,610
Net assets		4,695,806	4,480,872
Equity			
Share capital	18	241,711	241,654
Reserves	18	4,454,095	4,239,218
Total equity attributable to shareholders of the Company		4,695,806	4,480,872
Total liabilities and equity		5,389,019	4,942,482

The accompanying notes form part of this interim financial report.



Ding Shizhong
Chairman and Chief Executive Officer

Hong Kong, 17 August 2009



Lai Shixian
Chief Operating Officer



Ling Shing Ping
Chief Financial Officer



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009 – unaudited
(Expressed in Renminbi)

	Attributable to shareholders of the Company								
		Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Share-based compensation reserve	Retained profits	Total equity
	Note	RMB'000 Note 18(a)	RMB'000 Note 18(b)	RMB'000 Note 18(c)	RMB'000 Note 18(d)	RMB'000 Note 18(e)	RMB'000 Note 18(f)	RMB'000	RMB'000
Balances as at 1 January 2008		241,654	3,129,974	141,029	63,307	(89,739)	498	663,971	4,150,694
<i>Changes in equity for the six months ended 30 June 2008:</i>									
- Equity settled share-based payment	18(g)	-	-	-	-	-	460	-	460
- Dividend approved in respect of the previous year	18(h)	-	(181,918)	-	-	-	-	-	(181,918)
- Appropriation to statutory reserve		-	-	-	46,663	-	-	(46,663)	-
- Total comprehensive income for the period		-	-	-	-	(151,254)	-	434,287	283,033
Balances as at 30 June 2008		241,654	2,948,056	141,029	109,970	(240,993)	958	1,051,595	4,252,269
Balances as at 1 January 2009		241,654	2,729,633	141,029	164,084	(254,775)	1,262	1,457,985	4,480,872
<i>Changes in equity for the six months ended 30 June 2009:</i>									
- Shares issued pursuant to Pre-IPO share option scheme	18(a)	57	2,367	-	-	-	(22)	-	2,402
- Equity settled share-based payment	18(g)	-	-	-	-	-	321	-	321
- Dividends approved in respect of the previous year	18(h)	-	(394,954)	-	-	-	-	-	(394,954)
- Appropriation to statutory reserve		-	-	-	73,468	-	-	(73,468)	-
- Total comprehensive income for the period		-	-	-	-	(1,095)	-	608,260	607,165
Balances as at 30 June 2009		241,711	2,337,046	141,029	237,552	(255,870)	1,561	1,992,777	4,695,806

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2009 RMB'000	2008 RMB'000
Net cash generated from operating activities		607,704	489,473
Net cash used in investing activities *		(1,416,808)	(81,260)
Net cash used in financing activities		(392,824)	(181,918)
Net (decrease)/increase in cash and cash equivalents		(1,201,928)	226,295
Cash and cash equivalents as at 1 January		3,271,674	3,231,515
Effect of foreign exchange rate changes		(1,095)	(158,120)
Cash and cash equivalents as at 30 June	16	2,068,651	3,299,690

The accompanying notes form part of this interim financial report.

* Net cash used in investing activities for the period includes the uplift and placement of fixed deposits held at banks with maturity over three months, which totalled RMB221,640,000 and RMB1,568,000,000 respectively.

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008 Annual Financial Statements, except for the accounting policy changes that are expected to be reflected in the 2009 Annual Financial Statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this interim financial report, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that were applied to the 2008 Annual Financial Statements.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes which do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 Annual Financial Statements.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company. It has also been reviewed by KPMG in accordance with the Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s Review Report to the Board of Directors is included on page 41. This interim financial report was authorised for issue on 17 August 2009.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued one new IFRS, a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s financial statements:

- IFRS 8, Operating segments
- IAS 1 (revised 2007), Presentation of financial statements
- Improvements to IFRSs (2008)
- Amendments to IFRS 2, Share-based payment – vesting conditions and cancellations
- Amendments to IFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments

The amendments to IFRS 2 and the Improvements to IFRSs (2008) have had no material impact on the Group’s financial statements as the amendments were consistent with policies already adopted by the Group. In addition, the amendments to IFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of these developments on the interim financial report is as follows:

- IFRS 8 requires segment disclosure to be based on the way that the Group’s chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group’s chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of IFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group’s most senior executive management. The Group operates in a single business segment, which is manufacturing and trading and distribution of sporting goods including footwear, apparel and accessories. Accordingly, no segmental analysis is presented.
- As a result of the adoption of IAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3 TURNOVER

The Company and its subsidiaries (the "Group") are principally engaged in manufacturing and trading and distribution of sporting goods including footwear, apparel and accessories. Turnover represents the sales value of goods sold less returns, discounts, rebates, value added taxes and other sales taxes, which may be analysed as follows:

	Continuing operations		Discontinued operations		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Anta products	2,680,328	2,191,842	–	–	2,680,328	2,191,842
Others *	136,694	13,359	–	143,273	136,694	156,632
Total turnover	2,817,022	2,205,201	–	143,273	2,817,022	2,348,474

* Others represent sales of products of Sports Lifestyle series, Kids sportswear series and sales to overseas customers for the period. For the six months ended 30 June 2008, others represented sales of international branded products and sales to overseas customers.

4 FINANCE INCOME

	Continuing operations		Discontinued operations		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	26,324	61,546	–	58	26,324	61,604
Financial assets at fair value through profit or loss						
– realised fair value gain	–	1,966	–	–	–	1,966
Net foreign exchange gain	108	–	–	–	108	–
Total finance income	26,432	63,512	–	58	26,432	63,570

5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

	Continuing operations		Discontinued operations		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost of inventories sold (i)	1,647,968	1,348,202	–	107,014	1,647,968	1,455,216
Staff costs (ii)	237,300	156,390	–	13,166	237,300	169,556
Depreciation	24,411	15,950	–	7,298	24,411	23,248
Amortisation						
– lease prepayments	257	311	–	–	257	311
– intangible assets	603	370	–	69	603	439
Subcontracting charges (i)	110,691	127,034	–	–	110,691	127,034
Auditors' remuneration	1,300	1,281	–	–	1,300	1,281
Operating lease charges in respect of properties	9,458	5,109	–	25,169	9,458	30,278
Research and development costs (ii)	53,646	41,832	–	–	53,646	41,832

(i) Cost of inventories sold includes subcontracting charges as disclosed above.

(ii) Research and development costs include staff costs of employees in the Research and Development Department, which are included in the staff costs as disclosed above.



6 TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
Continuing operations		
Current tax – PRC income tax Provision for the period	79,827	39,998
Deferred tax – PRC dividends withholding tax Origination of temporary differences (note 19(b))	21,244	–
	101,071	39,998
Discontinued operations		
Current tax – PRC income tax Provision for the period	–	200

- (i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.
- (ii) No provision for Hong Kong Profits Tax has been made as the Group does not have assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2009.
- (iii) In accordance with the relevant PRC income tax laws, regulations and implementation guidance note, certain subsidiaries in the PRC are entitled to tax concessions and tax relief whereby the profits of these subsidiaries are taxed at preferential income tax rates. Taxation for the Group’s PRC subsidiaries are calculated using the applicable preferential income tax rates granted to these subsidiaries.

In addition, the Group is subject to withholding tax at the rate of 10% (unless reduced by treaty) on distributions of profits generated after 31 December 2007 from the Group’s foreign-invested enterprises. As all of the Group’s foreign-invested enterprises are directly and wholly owned by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax. Deferred tax liabilities have been provided for in this regard based on the expected dividends to be distributed from the Group’s foreign-invested enterprises in the foreseeable future in respect of the profits generated after 31 December 2007.

7 DISCONTINUED OPERATIONS

On 16 May 2008, the Group disposed of the entire interest in Shanghai Fengxian Sporting Goods Development Limited (“Shanghai Fengxian”) (上海鋒線體育用品發展有限公司) and its subsidiaries at a consideration of RMB5,974,000 to Jiangsu Hesheng Investment Guarantee Development Co. Ltd. (江蘇和盛投資擔保發展有限公司), an independent third party. In addition, the amount due from Shanghai Fengxian to a group company of RMB181,376,000 was assumed by Jiangsu Hesheng Investment Guarantee Development Co. Ltd. The results of Shanghai Fengxian and its subsidiaries are presented in these interim financial statements as discontinued operations.

The results and cash flows of Shanghai Fengxian and its subsidiaries included in the condensed consolidated statement of comprehensive income and condensed consolidated statement of cash flows from 1 January 2008 to 30 April 2008 are set out below:

	Note	Four months ended 30 April 2008 RMB'000
Turnover	3	143,273
Cost of sales		(107,014)
Gross profit		36,259
Other revenue		5,839
Other net income		28
Selling and distribution expenses		(43,346)
Administrative expenses		(6,496)
Loss from operations		(7,716)
Finance income	4	58
Loss before taxation	5	(7,658)
Taxation	6	(200)
Loss for the period		(7,858)
Net cash generated from operating activities		7,099
Net cash used in investing activities		(1,038)
Net cash generated from discontinued operations		6,061



8 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

From continuing operations

The calculation of basic earnings per share for the six months ended 30 June 2009 is based on the profit attributable to shareholders of the Company from continuing operations for the period of RMB608,260,000 (Six months ended 30 June 2008: RMB442,145,000) and the weighted average number of shares of 2,490,061,000 (2008: 2,490,000,000) in issue during the period.

From discontinued operations

The calculation of basic loss per share for the six months ended 30 June 2008 is based on the loss borne by shareholders of the Company from discontinued operations for the period of RMB7,858,000 and the weighted average number of shares of 2,490,000,000 in issue during the six months ended 30 June 2008.

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the weighted average number of shares in issue adjusted for the potential dilutive effect caused by the share options granted under the Pre-IPO share option scheme assuming they were exercised.

	Six months ended 30 June	
	2009 '000 Shares	2008 '000 Shares
Weighted average number of ordinary shares	2,490,061	2,490,000
Effect of deemed issue of shares under the Company's Pre-IPO share option scheme	3,991	7,951
Weighted average number of ordinary shares (diluted)	2,494,052	2,497,951

9 PROPERTY, PLANT AND EQUIPMENT

	2009 RMB'000	2008 RMB'000
Net book value, as at 1 January	452,154	328,440
Additions	57,390	36,956
Transfer from construction in progress (note 10)	30,515	59,981
Disposals (net carrying amount)	(1,092)	(2,962)
Disposal of subsidiaries (net carrying amount)	–	(21,609)
Depreciation charge for the period	(24,411)	(23,248)
Net book value, as at 30 June	514,556	377,558

10 CONSTRUCTION IN PROGRESS

	2009 RMB'000	2008 RMB'000
As at 1 January	86,541	67,832
Additions	44,635	30,636
Transfer to property, plant and equipment (note 9)	(30,515)	(59,981)
As at 30 June	100,661	38,487

11 LEASE PREPAYMENTS/PREPAYMENTS FOR THE ACQUISITION OF LAND USE RIGHTS

(a) Lease prepayments

Lease prepayments represent prepayments of land use rights premiums to the PRC authorities. The Group's leasehold land is located in the PRC, on which the manufacturing plants are built. The Group is granted land use rights for a period of 50 years.

(b) Prepayments for the acquisition of land use rights

As at 30 June 2009, the Group made prepayments of RMB35,465,000 (31 December 2008: RMB22,101,000) for the acquisition of land use rights for certain self-operating properties under development. The related ownership certificates were under application as at 30 June 2009.

12 INTANGIBLE ASSETS

	2009 RMB'000	2008 RMB'000
Net book value, as at 1 January	4,087	4,213
Additions	1,805	503
Disposal of subsidiaries (net carrying amount)	–	(557)
Amortisation for the period	(603)	(439)
Net book value, as at 30 June	5,289	3,720

13 INVENTORIES

	30 June 2009 RMB'000	31 December 2008 RMB'000
Raw materials	136,868	95,284
Work in progress	90,087	63,652
Finished goods	229,458	173,574
	456,413	332,510

14 TRADE AND OTHER RECEIVABLES

	30 June 2009 RMB'000	31 December 2008 RMB'000
Trade receivables	232,519	226,491
Advance payments to suppliers	108,710	189,897
Deposits and other prepayments	190,408	66,819
Prepayment for construction costs	165	10,775
VAT receivables	45,252	9,910
Interest receivable	10,904	5,171
Other receivables	13,184	14,947
	601,142	524,010

All of the trade and other receivables are expected to be recovered within one year. An ageing analysis of the trade receivables is as follows:

	30 June 2009 RMB'000	31 December 2008 RMB'000
Current	231,626	219,494
Less than 3 months past due	743	6,703
Past due over 3 months	150	294
	232,519	226,491

The Group normally grants a credit period of 30 to 90 days to its trade customers.

15 PLEDGED DEPOSITS

These bank deposits have been pledged as security for certain construction projects.

16 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS HELD AT BANKS

	30 June 2009 RMB'000	31 December 2008 RMB'000
Deposits with banks within three months to maturity when placed	1,926,506	3,060,543
Cash at bank and in hand	142,145	211,131
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	2,068,651	3,271,674
Deposits with banks with more than three months to maturity when placed	1,568,000	221,640
	3,636,651	3,493,314

17 TRADE AND OTHER PAYABLES

	30 June 2009 RMB'000	31 December 2008 RMB'000
Trade payables	290,114	284,611
Receipts in advance from customers	3,062	1,519
Accrued construction costs	5,891	6,941
Other payables and accruals	321,068	144,080
	620,135	437,151

An ageing analysis of the Group's trade payables is as follows:

	30 June 2009 RMB'000	31 December 2008 RMB'000
Within 3 months	266,718	255,083
3 months to 6 months	3,989	14,616
Over 6 months	19,407	14,912
	290,114	284,611



18 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

During the period, pursuant to the Company's Pre-IPO share option scheme (note 18(g)), options were exercised to subscribe for 645,000 ordinary shares in the Company at a consideration of RMB2,402,000 of which RMB57,000 was credited to share capital and the balance of RMB2,345,000 was credited to the share premium account. RMB22,000 has been transferred from the share-based compensation reserve to the share premium account. In addition, 210,000 options were cancelled during the period. As at 30 June 2009, the total number of shares which may be issued upon the exercise of all options outstanding is 14,060,000.

(b) Share premium

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(c) Capital reserve

Pursuant to the reorganisation of the Group prior to the listing of the Company on the Main Board of the Stock Exchange, Anta Enterprise Group Limited ("Anta Enterprise") entered into a deed of assignment with the controlling shareholders of the Company whereby advances from the controlling shareholders to Anda International Investment Limited totalling HK\$144,376,000 (equivalent to RMB141,029,000) were assigned to Anta Enterprise at a consideration of HK\$1.0. This assignment of debt was reflected as a reduction in the advances from the controlling shareholders and a corresponding increase in the capital reserve during 2007.

(d) Statutory reserve

Pursuant to applicable PRC regulations, certain PRC subsidiaries are required to appropriate 10% of their profit after tax (after offsetting prior year losses) to the reserve until such reserve reaches 50% of the registered capital. The transfer to the reserve must be made before distribution of dividends to shareholders. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase the registered capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(e) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the PRC.

(f) Share-based compensation reserve

Share-based compensation reserve represents the value of employee services in respect of share options granted.

(g) Pre-IPO share option scheme

Pursuant to the shareholders' written resolution passed on 11 June 2007, the Company adopted a Pre-IPO share option scheme whereby a Director and 37 employees of the Company were given the rights to subscribe for shares of the Company. The subscription price per share pursuant to the Pre-IPO share option scheme was at a 20% discount to the global offering price.

Each option granted under the Pre-IPO share option scheme has a vesting period of three years commencing from the Listing Date and the options are exercisable for a period of ten years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

(h) Dividends

(i) Dividends payable to shareholders of the Company attributable to the period:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
Interim dividend declared and paid after the interim period of HK12 cents per ordinary share (2008: HK10 cents per ordinary share)	263,460	218,712

The interim dividend has not been recognised as a liability as at 30 June 2009.

(ii) Dividends payable to shareholders of the Company attributable to the previous financial year, approved and paid during the period:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
Final dividend in respect of the financial year ended 31 December 2008, approved and paid during the period, of HK10 cents per ordinary share (2007: HK8 cents per ordinary share)	219,419	181,918
Special dividend in respect of the financial year ended 31 December 2008, approved and paid during the period, of HK8 cents per ordinary share (2007: Nil)	175,535	—
	394,954	181,918

19 TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2009 RMB'000	31 December 2008 RMB'000
(a) Current taxation		
Balance of provision for PRC income tax	50,666	22,908
(b) Deferred tax liabilities		
Deferred tax arising from withholding tax on dividends: Charged to the condensed consolidated statement of comprehensive income (note 6)	21,244	-

Deferred tax assets not recognised:

The Group has not recognised deferred tax assets as at 30 June 2009 in respect of cumulative tax losses of RMB14,557,000 (31 December 2008: RMB14,422,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire within five years under the current tax legislation.

Deferred tax liabilities not recognised:

As at 30 June 2009, deferred tax liabilities of RMB53,215,000 (31 December 2008: RMB45,241,000) have not been recognised in respect of temporary differences relating to the undistributed profits of the Group's foreign-invested enterprises not expected to be distributed in the foreseeable future amounting to RMB1,064,301,000 (31 December 2008: RMB904,826,000) as the Company controls the dividend policy of these foreign-invested enterprises and the Directors have determined that these profits are not likely to be distributed in the foreseeable future.

20 COMMITMENTS

(a) Operating leases

As at 30 June 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2009 RMB'000	31 December 2008 RMB'000
Within 1 year	14,314	14,817
After 1 year but within 5 years	3,650	10,061
	17,964	24,878

(b) Capital commitments

As at 30 June 2009, capital commitments not provided for in the interim financial report are as follows:

	30 June 2009 RMB'000	31 December 2008 RMB'000
Contracted for	65,057	78,850
Authorised but not contracted for	115,748	166,050
	180,805	244,900

21 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2009, there have been no changes of the definition of the related parties since 31 December 2008.

(a) Transactions with related parties

	Six months ended 30 June 2009 RMB'000	2008 RMB'000
Recurring transactions		
Purchases of raw materials – Quanzhou Anda	3,266	5,594
Lease of land and properties – Fujian Light Industrial – Jinjiang Shifa	422 351	422 351
	773	773
Non-recurring transactions		
Lease of land and properties – Mr. Ding Shizhong	-	21

The above related party transactions were conducted on normal commercial terms and in the ordinary course of business.



21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

As at 30 June 2009, the Group had the following balances with related parties:

	30 June 2009 RMB'000	31 December 2008 RMB'000
Amounts due to related parties		
Trade balances		
– Quanzhou Anda	676	1,431
Other balances		
– Mr. Ding Shijia	–	50
– Fujian Light Industrial	492	70
	1,168	1,551

The amounts due to related parties are unsecured, interest free and are expected to be paid within one year.

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors are as follows:

	Six months ended 30 June 2009 RMB'000	2008 RMB'000
Short-term employee benefits	2,735	2,427
Equity settled share-based payments	145	155
	2,880	2,582

22 NON-ADJUSTING POST BALANCE SHEET EVENT

On 12 August 2009, the Group entered into two sale and purchase agreements for the acquisition of an 85% equity interest in Full Prospect Limited (“Full Prospect”), a company incorporated in the Cayman Islands, and a 100% equity interest in Fila Marketing (Hong Kong) Limited (“Fila Marketing”), a company incorporated in Hong Kong, from their respective owners on the date of the actual completion of the sale and purchase agreements (“the completion date”). Full Prospect and its subsidiaries own and manage the Fila PRC Trademarks in Mainland China, Hong Kong and Macau and Fila Marketing and its subsidiary are responsible for retailing products bearing the Fila PRC Trademarks in Hong Kong and Macau.

The purchase consideration for the above transactions amounts to RMB332,351,000 and an additional amount equal to RMB749,000 multiplied by a fraction of the number of days between 30 September 2009 and the completion date, if the completion occurs after 30 September 2009. The final consideration to be paid is subject to adjustments for the difference between the net asset value of Full Prospect as at 30 June 2009 and the completion date and, will not be more than HK\$650,000,000. The completion of the transactions is subject to, among other things, the approval of the Anti-Monopoly Bureau of the Ministry of Commerce of the PRC.

23 COMPARATIVE FIGURES

As a result of the application of IAS 1 (revised 2007), Presentation of financial statements, and IFRS 8, Operating segments, certain comparative figures have been adjusted to conform to the current period’s presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 2.



DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at 30 June 2009, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

Interest in shares and underlying shares of the Company and its associated corporations

Name of Directors	Company/Name of associated corporation	Capacity/ Nature of interest	Interest in ordinary shares	Interest in underlying shares ⁽²⁾	Approximate percentage of interest in such corporation
Mr. Ding Shizhong	Company	Founder of a discretionary trust/Beneficial owner	1,504,946,000 ⁽³⁾	–	60.42%
	Anta International Group Holdings Limited ("Anta International")	Founder of a discretionary trust	4,144 ⁽³⁾	–	41.44%
Mr. Ding Shijia	Company	Founder of a discretionary trust/Beneficial owner	1,499,500,000 ⁽⁴⁾	–	60.21%
	Anta International	Founder of a discretionary trust	4,084 ⁽⁴⁾	–	40.84%
Mr. Lai Shixian	Company	Interest of spouse	175,500,000 ⁽⁵⁾	–	7.05%
	Company	Beneficial owner	–	5,250,000	0.21%
Mr. Wang Wenmo	Anta International	Founder of a discretionary trust	1,141 ⁽⁶⁾	–	11.41%
Mr. Wu Yonghua	Anta International	Founder of a discretionary trust	601 ⁽⁷⁾	–	6.01%

Notes:

- (1) As at 30 June 2009, the outstanding ordinary shares of the Company and of Anta International stood at 2,490,645,000 and 10,000 respectively.
- (2) The interests in underlying shares represent the interests in share options granted pursuant to the Pre-IPO share option scheme, details of which are set out in note 18(g) of the interim financial report.
- (3) 1,498,500,000 Shares were held through Anta International, an associated corporation, which held 60.17% of the issued share capital of the Company. Shine Well (Far East) Limited is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International and therefore is deemed to be interested in all the Shares held by Anta International. The entire issued share capital of Shine Well (Far East) Limited is held by Top Bright Assets Limited. The entire issued share capital of Top Bright Assets Limited is in turn held by HSBC International Trustee Limited ("HSBC Trustee") acting as the trustee of the DSZ Family Trust. The DSZ Family Trust is an irrevocable discretionary trust set up by Mr. Ding Shizhong as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DSZ Family Trust are family members of Mr. Ding Shizhong. Mr. Ding Shizhong as founder of the DSZ Family Trust is deemed to be interested in the Shares held by Anta International. 6,446,000 Shares were held by Mr. Ding Shizhong in the capacity of beneficial owner.
- (4) 1,498,500,000 Shares were held through Anta International, which held 60.17% of the issued share capital of the Company. Talent Trend Investment Limited is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International and therefore is deemed to be interested in all the Shares held by Anta International. The entire issued share capital of Talent Trend Investment Limited is held by Allwealth Assets Limited. The entire issued share capital of Allwealth Assets Limited is in turn held by HSBC Trustee acting as the trustee of the DSJ Family Trust. The DSJ Family Trust is an irrevocable discretionary trust set up by Mr. Ding Shijia as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DSJ Family Trust are family members of Mr. Ding Shijia. Mr. Ding Shijia as founder of the DSJ Family Trust is deemed to be interested in the Shares held by Anta International. 1,000,000 Shares were held by Mr. Ding Shijia in the capacity of beneficial owner.
- (5) The interests of Mr. Lai Shixian in the Company are held through Anda Holdings International Limited ("Anda Holdings"), which holds 7.05% of the issued share capital of the Company. Spring Star Assets Limited holds the entire issued share capital of Anda Holdings, which is in turn held by HSBC Trustee acting as the trustee of the DYL Family Trust. The DYL Family Trust is an irrevocable discretionary trust set up by Mr. Lai Shixian's spouse, Ms. Ding Yali, as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DYL Family Trust are issue of Ms. Ding Yali. Ms. Ding Yali as founder of the DYL Family Trust is deemed to be interested in the Shares held by Anda Holdings and Mr. Lai Shixian is also deemed under the SFO to be interested in the interests of his spouse, Ms. Ding Yali.



CORPORATE GOVERNANCE AND OTHER INFORMATION

- (6) *The interests of Mr. Wang Wenmo in Anta International are held through Fair Billion Development Limited, which holds 11.41% of the issued share capital of Anta International. The entire issued share capital of Fair Billion Development Limited is held by Asia Bridges Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WWM Family Trust. The WWM Family Trust is an irrevocable discretionary trust set up by Mr. Wang Wenmo as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WWM Family Trust are family members of Mr. Wang Wenmo. Mr. Wang Wenmo as founder of the WWM Family Trust is deemed to be interested in the Shares held by Anta International.*
- (7) *The interests of Mr. Wu Yonghua in Anta International are held through Spread Wah International Limited, which holds 6.01% of the issued share capital of Anta International. The entire issued share capital of Spread Wah International Limited is held by Albright Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust is an irrevocable discretionary trust set up by Mr. Wu Yonghua as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WYH Family Trust are family members of Mr. Wu Yonghua. Mr. Wu Yonghua as founder of the WYH Family Trust is deemed to be interested in the Shares held by Anta International.*

Save as disclosed above, as at 30 June 2009, none of the Directors and chief executives of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had otherwise been notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Interests and short positions of substantial shareholders

As at 30 June 2009, the persons or corporations (not being a Director or chief executive of the Company) who had interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholders	Nature of interest	Number of Shares (See below)	Approximate Percentage of interest in the Company
HSBC International Trustee Limited	Trustee (other than a bare trustee) ⁽¹⁾	1,800,006,000(L)	72.27%
Anta International Group Holdings Limited	Beneficial owner	1,498,500,000(L)	60.17%
Allwealth Assets Limited	Corporation ⁽¹⁾	1,498,500,000(L)	60.17%
Shine Well (Far East) Limited	Corporation ⁽¹⁾	1,498,500,000(L)	60.17%
Talent Trend Investment Limited	Corporation ⁽¹⁾	1,498,500,000(L)	60.17%
Top Bright Assets Limited	Corporation ⁽¹⁾	1,498,500,000(L)	60.17%
Anda Holdings International Limited	Beneficial owner	175,500,000(L)	7.05%
Ms. Ding Yali	Founder of a discretionary trust ⁽²⁾	175,500,000(L)	7.05%
	Interest of spouse ⁽³⁾	5,250,000(L)	0.21%
Spring Star Assets Limited	Corporation ⁽²⁾	175,500,000(L)	7.05%
Anda Investments Capital Limited ("Anda Investments")	Beneficial owner	126,000,000(L)	5.06%
Mr. Ding Hemu	Founder of a discretionary trust ⁽⁴⁾	126,000,000(L)	5.06%
Sackful Gold Limited	Corporation ⁽⁴⁾	126,000,000(L)	5.06%

(L) – Long Position, (S) – Short Position

Notes:

- (1) *The interests of HSBC Trustee in the Company are held through Anta International, Anda Holdings and Anda Investments, holding approximately 60.17%, 7.05% and 5.06% of the issued share capital of the Company, respectively. In addition, HSBC Trustee also held 6,000 shares of the Company as trustee for persons unrelated to the substantial shareholders.*

HSBC Trustee was the trustee of the DSZ Family Trust and the DSJ Family Trusts and it held the entire issued share capital of Top Bright Assets Limited and Allwealth Assets Limited, which in turn held the entire issued share capital of Shine Well (Far East) Limited and Talent Trend Investment Limited, respectively. Each of Shine Well (Far East) Limited and Talent Trend Investment Limited was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anta International and therefore each of them was deemed to be interested in all the 1,498,500,000 Shares held by Anta International. Accordingly, HSBC Trustee, Top Bright Assets Limited, Allwealth Assets Limited, Shine Well (Far East) Limited and Talent Trend Investment Limited were indirectly interested in the 1,498,500,000 Shares held by Anta International.

HSBC Trustee was the trustee of the DYL Family Trust and it held the entire issued share capital of Spring Star Assets Limited, which in turn was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anda Holdings and therefore was deemed to be interested in all the 175,500,000 Shares held by Anda Holdings. Accordingly, HSBC Trustee and Spring Star Assets Limited were indirectly interested in the 175,500,000 Shares held by Anda Holdings.

HSBC Trustee was the trustee of the DHM Family Trust and it held the entire issued share capital of Sackful Gold Limited, which in turn was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anda Investments and therefore was deemed to be interested in all the 126,000,000 Shares held by Anda Investments. Accordingly, HSBC Trustee and Sackful Gold Limited were indirectly interested in the 126,000,000 Shares held by Anda Investments.



-
- (2) *Spring Star Assets Limited was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anda Holdings and therefore was deemed to be interested in all the 175,500,000 Shares held by Anda Holdings.*

The entire issued share capital of Spring Star Assets Limited was held by HSBC Trustee acting as the trustee of the DYL Family Trust. The DYL Family Trust was an irrevocable discretionary trust set up by Ms. Ding Yali as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DYL Family Trust were issue of Ms. Ding Yali. Ms. Ding Yali as founder of the DYL Family Trust was deemed to be interested in the 175,500,000 Shares held by Spring Star Assets Limited.

- (3) *Ms. Ding Yali was deemed under the SFO to be interested in the 5,250,000 Shares which may be issued to her spouse, Mr. Lai Shixian, an Executive Director of the Company, upon exercise of options granted to Mr. Lai Shixian under the Pre-IPO share option scheme.*

- (4) *Sackful Gold Limited was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anda Investments and therefore was deemed to be interested in all the 126,000,000 Shares held by Anda Investments.*

The entire issued share capital of Sackful Gold Limited was held by HSBC Trustee acting as the trustee of the DHM Family Trust. The DHM Family Trust was an irrevocable discretionary trust set up by Mr. Ding Hemu as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DHM Family Trust were issue of Mr. Ding Hemu. Mr. Ding Hemu as founder of the DHM Family Trust was deemed to be interested in the 126,000,000 Shares held by Sackful Gold Limited.

Save as disclosed above, as at 30 June 2009, the Directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance and accountability. The Board will strive to the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards by focusing on areas such as internal control, fair disclosure and accountability to all shareholders.

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Listing Rules. The Company periodically reviews its corporate governance practices and has complied with the Code for the six months ended 30 June 2009 except for the deviation from provision A.2.1, which stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Ding Shizhong is the Chairman and Chief Executive Officer of the Company. With Mr. Ding’s extensive experience in sportswear consumer market, he is responsible for the overall strategic planning and business management of the Group. The Board considers that vesting the roles of chairman and chief executive officer in the same individual is beneficial to the business prospects and management of the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises five executive directors and three independent non-executive directors and there has a strong independence element in its composition.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries to all the Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2009.

The Audit Committee of the Company is responsible for the review and supervision of the Group’s financial reporting process, internal controls and review of the Company’s financial statements. The Audit Committee meets regularly with the Company’s external auditors to discuss the audit process and accounting issues. Their written terms of reference are in line with the Code provisions. Members of the Audit Committee comprise Mr. Yeung Chi Tat (Chairman), Mr. Lu Hong Te and Mr. Dai Zhongchuan, all of whom are Independent Non-Executive Directors. The condensed consolidated interim financial report of the Group for the six months ended 30 June 2009 is unaudited but has been reviewed by KPMG, the auditors of the Company, and by the Audit Committee.

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2009.



ANTA

ANTA Brand

ANTA Sports/Company

ANTA Sports Products Limited

ANTA Store(s)

ANTA authorised retail store(s)

ASP/Average Selling Price

Sales amount divided by sales quantity

Average Sales Floor Area

Practical sales floor area, excluding warehouse, divided by number of stores

Board

The Board of Directors of the Company

CBA

Chinese Basketball Association

CCTV

China Central Television

China/PRC

People's Republic of China

COC

Chinese Olympic Committee

CSD

Chinese Sports Delegation

CSR

Corporate Social Responsibility

ERP

Enterprise Resources Planning System, a business support system that maintains in a single database for a variety of business functions

Executive Directors

Executive directors of the Company

Group

The Company and its subsidiaries

Hong Kong

The Hong Kong Special Administrative Region of the PRC

Hong Kong Dollars, HK\$

Hong Kong Dollars, the lawful currency of Hong Kong

Hong Kong Stock Exchange

The Stock Exchange of Hong Kong Limited

Independent Non-Executive Directors

Independent non-executive directors of the Company

IPO

Initial Public Offering

Kids Sportswear Series

ANTA's sportswear products for children aged between 9 and 14

Listing Rules

The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

ODM

Original Design Manufacturer

OEM

Original Equipment Manufacturer

POP

Point of purchase advertising

POS

ANTA stores' point of sales

R&D

Research and development

Period

6 months ended 30 June 2009

RMB

Renminbi, the lawful currency of the PRC

Share(s)

Ordinary share(s) of HK\$0.10 each in the share capital of the Company

Shareholders

Shareholders of the Company

Shops in Shops

ANTA Stores located in department stores or shopping malls

Sports Lifestyle Series

ANTA's trendy leisure sportswear products for consumers aged between 15 and 28

Total Sales Floor Area

Practical sales floor area, excluding warehouse

WTA

Women's Tennis Association



2009						
AUGUST						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
²³ ₃₀	²⁴ ₃₁	25	26	27	28	29

17 Aug 2009

2009 Interim Results Announcement

2009						
SEPTEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

1-4 Sep 2009 (Both days inclusive)

Book closing dates for 2009 interim dividend

11 Sep 2009 or after

Payment of 2009 interim dividend

2009						
DECEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

31 Dec 2009

Financial year end date

CORPORATE PROFILE

As one of the leading branded sportswear enterprises in China, ANTA Sports Products Limited primarily designs, develops, manufactures and markets sportswear, including sports footwear, apparel and accessories. The Group has established extensive distribution network and nationwide retail outlets in China under the management of the distributors. The Group places great emphasis on branding by integrating the resources from sports leagues' sponsorships, placement of advertisements, interaction with consumers through internet and endorsement of elite athletes with the featured products to enhance product differentiation. For the past eight years, its travel and sports footwear has been enjoying a leading position in China composite index on market shares.

SHARE INFORMATION

Listing date:	10 July 2007
Board lot size:	1,000 shares
Numbers of shares in outstanding:	2,490,645,000 shares (As at 30 June 2009)

STOCK CODES

Hong Kong Stock Exchange	2020
Reuters	2020.HK
Bloomberg	2020 HK

DIVIDENDS

Final dividend in 2007	HK8 cents
Interim dividend in 2008	HK10 cents
Final dividend in 2008	HK10 cents
Special dividend in 2008	HK8 cents
Interim dividend in 2009	HK12 cents

IR CONTACT
If you have any inquiries, please contact:

IR Department
 ANTA Sports Products Limited
 Unit 4408, 44/F, COSCO Tower,
 183 Queen's Road Central, Hong Kong
 Telephone: (852) 2116 1660
 Fax: (852) 2116 1590
 Email: ir@anta.com; ir@anta.com.hk
 IR website: www.ir.anta.com
 Brand website: www.anta.com

Hill & Knowlton Asia Limited
 36/F, PCCW Tower, Taikoo Place,
 979 King's Road, Quarry Bay, Hong Kong
 Telephone: (852) 2894 6321
 Fax: (852) 2576 1990
 Email: anta@hillandknowlton.com.hk


Keep Moving...



Zheng Jie