



**ANTA
SPORTS
PRODUCTS
LIMITED**

Incorporated in the Cayman Islands with limited liability

Stock Code: 2020

**BASKETBALL
IS
INTERIM
REPORT**

**my
LIFE
2013**



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Investors Information





KEEP MOVING



CORPORATE INFORMATION

Board

Executive Directors

Ding Shizhong (Chairman) Ding Shijia (Deputy Chairman)
Lai Shixian Wang Wenmo Wu Yonghua Zheng Jie
Yeung Chi Tat Lu Hong Te Dai Zhongchuan
Ling Shing Ping *FCPA FCCA*

Independent Non-Executive Directors

Company Secretary

Board committees

Audit Committee

Remuneration Committee

Nomination Committee

Yeung Chi Tat (Chairman) Lu Hong Te Dai Zhongchuan
Lu Hong Te (Chairman) Dai Zhongchuan Ding Shizhong
Lu Hong Te (Chairman) Yeung Chi Tat Lai Shixian

Authorised representatives

Lai Shixian Ling Shing Ping

Registered offices

Cayman Islands Office

Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands
Unit No. 4408, 44th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong

Hong Kong Office

Head offices in the PRC

Jinjiang Office

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

Xiamen Office

No. 99 Jiayi Road, Guanyinshan, Xiamen, Fujian Province, PRC
Postal code: 361008

Share registrars and transfer offices

Cayman Islands Principal Register

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House, 24 Shedden Road, George Town,
Grand Cayman KY1-1110, Cayman Islands

Hong Kong Branch Registrar

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

Legal adviser

Norton Rose Fulbright Hong Kong

Auditor

KPMG

Internal control review adviser

KPMG Advisory (China) Limited

Public relations consultant

Hill+Knowlton Strategies Asia

Principal bankers

Agricultural Bank of China Bank of China Limited Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China China Construction Bank Hong Kong Limited
The Hongkong and Shanghai Banking Corporation Limited

FINANCIAL OVERVIEW

Six months ended 30 June	2013	2012	Changes
	(RMB million)	(RMB million)	(%)
Turnover	3,366.5	3,934.1	↓ 14.4
Gross profit	1,384.1	1,643.7	↓ 15.8
Profit from operations	736.3	899.7	↓ 18.2
Profit attributable to equity shareholders	625.7	769.6	↓ 18.7
Free cash inflow	540.6	827.1	↓ 34.6
	(RMB cents)	(RMB cents)	(%)
Earnings per share			
– Basic	25.09	30.86	↓ 18.7
– Diluted	25.05	30.80	↓ 18.7
Shareholders' equity per share	274.14	265.56	↑ 3.2
	(HK cents)	(HK cents)	(%)
Interim dividend per share	19	23	↓ 17.4
	(%)	(%)	(% point)
Gross profit margin	41.1	41.8	↓ 0.7
Operating profit margin	21.9	22.9	↓ 1.0
Margin of profit attributable to equity shareholders	18.6	19.6	↓ 1.0
Effective tax rate	24.1	22.0	↑ 2.1
Advertising and promotional expenses (as a percentage of turnover)	9.9	10.4	↓ 0.5
Staff costs (as a percentage of turnover)	9.9	8.8	↑ 1.1
R&D costs (as a percentage of cost of sales)	4.1	3.8	↑ 0.3

As at 30 June	2013	2012	Changes
	(%)	(%)	(% point)
Gearing ratio ⁽¹⁾	9.5	5.8	↑ 3.7
Return on average total shareholders' equity (annualised) ⁽²⁾	18.6	23.8	↓ 5.2
Return on average total assets (annualised) ⁽³⁾	12.5	17.8	↓ 5.3
Average total shareholders' equity to average total assets	67.3	74.9	↓ 7.6
	(in 181 days)	(in 182 days)	(days)
Average inventory turnover days ⁽⁴⁾	58	50	↑ 8
Average trade receivables turnover days ⁽⁵⁾	39	35	↑ 4
Average trade payables turnover days ⁽⁶⁾	59	50	↑ 9

Cautionary Statement Regarding Forward-Looking Statements

This Interim Report 2013 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 uncertainties 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 section "Management Discussion and Analysis".

Notes:

- (1) Gearing ratio is equal to the bank loans divided by the total assets at the end of the relevant period.
- (2) Return on average total shareholders' equity is equal to the profit attributable to the equity shareholders divided by the average balance of total shareholders' equity.
- (3) Return on average total assets is equal to the profit attributable to the equity shareholders divided by the average balance of total assets.
- (4) 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.
- (5) 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.
- (6) 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.

RESULTS HIGHLIGHTS



Financial performance

- Turnover decreased by 14.4% to RMB3.37 billion
- Gross profit margin decreased by 0.7% point to 41.1%
- Profit attributable to equity shareholders decreased by 18.7% to RMB625.7 million
- Basic earnings per share decreased by 18.7% to RMB25.09 cents
- 60.2% payout of the profit attributable to equity shareholders

Operational performance

- Number of ANTA stores and Sports Lifestyle series stores stood at 7,834
- Number of Kids sportswear series stores stood at 811
- Number of FILA stores in China, Hong Kong and Macao stood at 332

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present our interim results for the six months ended 30 June 2013.

We Maintained Solid Performance despite Industry Headwinds

During the period, sportswear brands generally offered deep discounts to help resolve the problem of excess inventory, which further intensified the competition in China's sportswear industry. With the aim of minimising the impact that industry issues would pose on us and our retailers, we engaged in proactive actions such as prudent control of the amount of orders placed by our retailers at trade fairs in the first two quarters of 2013. Consequently, our turnover decreased by 14.4% to RMB3.37 billion (2012 1H: RMB3.93 billion) during the period. Profit attributable to equity shareholders dropped by 18.7% to RMB625.7 million (2012 1H: RMB769.6 million), while basic earnings per share was RMB25.09 cents (2012 1H: RMB30.86 cents), reflecting our continuing efforts to enhance cost effectiveness. Meanwhile, the Board proposed an interim dividend of HK19 cents per ordinary share (2012 interim dividend: HK23 cents) so as to provide considerable returns to shareholders.

We Adopt a Highly-effective Marketing Strategy to Make ANTA Stronger

With the aim of standing out from our peers, we always stay focused on our mass market positioning and further enhance our brand equity by enriching our diverse sports resources. During the period, we successfully extended our partnership with the COC, making us the "Sportswear Partner of the COC" for eight years in a row since 2009. In addition to our continuing cooperation with the COC, we also provide stylish high-quality sportswear outfits to 16 Chinese national teams, including our newly sponsored national teams: boxing, taekwondo and karate. More importantly, Mr. Zou Shiming, two-times Olympic boxing gold medalist, has joined our line-up of endorsers. He continues to



demonstrate ANTA's "Keep Moving" brand spirit in pursuing his dream in professional boxing. These exclusive sponsorship resources and athlete endorsers not only offer excellent exposure opportunities to capture the attention of consumers, but also help us gain recognition and creditability for our brand and professional products in the most effective ways of marketing.

We Innovate to Serve Both Athletes and Consumers

Innovation is one of the keys to our success. Our strong capacity for innovation continues to bring us greater differentiation and extends our leading position in China's sportswear market. Our A-Silo running shoe received an overwhelming market response since its launch in 2012 and has become one of ANTA's best-selling shoes. During the period, we have further optimised the designs of the shoe last, the use of material and the cushioning performance of our A-Silo 3.0 running shoe. The shoe is also more permeable as it incorporates our A-Web technology, which offers a greater degree of comfort for wearers by keeping their feet dry. The excellent functionality of our products was widely promoted through a wide range of marketing campaigns as well as our sponsorship of the Olympic Day Run. Due to our strong product differentiation, we have been named the top seller of travel and sports shoes in China in terms of market share for 12 consecutive years.

We Take Proactive Actions to Minimise Industry Impacts on Our Retailers

We always implement a streamlined distribution structure, effective monitoring systems and sound inventory management measures. In view of the persistent issue of excess inventory in China's sportswear industry, we remained cautious and took proactive actions to minimise inventory risks in our retailers during the period. Firstly, we exercised prudent control over the amount of orders and provided our retailers more precise guidelines when placing orders. Secondly, we have also leveraged our e-commerce channels, factory outlets and discount stores to help clear out the past season inventory more effectively. Furthermore, we continued to enhance the overall efficiency and competitiveness of our retailers by closing less efficient stores and improving our store image. As a result of taking these proactive measures and providing comprehensive support to our retailers, their operational performance has been improving at a steady pace.

We Achieve Sustainability through Stronger Execution and Operational Capabilities

China's sportswear industry still faces uncertainty associated with the unresolved excess inventory problem in the near-term. However, its mid-to-long-term outlook will be promising as the Chinese government is generally believed to put more efforts in expanding domestic demand, boosting urbanisation and increasing people's participation in sports. We will strive to manage inventory levels with accurate consumer demand forecasts. The extensive coverage of our ERP system in the distribution network enables us to collect more timely market information with which we can formulate precise product plans and ordering guidelines. Our supply chains and replenishment lead time will be further optimised so as to better meet market demand and to stay cost-competitive. More importantly, stronger brand equity and product differentiation will help us bolster sales and make our retailers more profitable. Therefore, we will fully leverage our partnership with the COC as well as our renowned endorsers to further enhance our brand recognition and our leading position in key market segments. We will also fully utilise our advantages in R&D and design so as to capture future growth opportunities by offering products featuring better functionality and value for money.

On behalf of the Board, I would like to express my sincere gratitude to our shareholders' steadfast support and to all of our staff members for their unmatched dedication. We will strive to engage in effective management and execution to ensure the steady development of ourselves, our supply chain partners, distributors and franchisees, as well as to create greater value for our stakeholders over the long run.



Ding Shizhong
Chairman

Hong Kong, 6 August 2013

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MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

China's Economy Maintained Steady Growth

It is generally considered that China's exports have been persistently affected by the slow recovery of the global economy. With the aim of maintaining momentum in economic growth, it is generally considered that the Chinese government has continued its economic reforms by expanding domestic demand. China's GDP grew by 7.6% in the first half of 2013, while total retail sales of consumer goods rose by 12.7%. In addition, per capita annual disposable income of urban residents increased by 6.5% to RMB13,649 (after deducting price factors) as a result of the country's rising pay and consumption-spurring policies.

It is generally considered that the Chinese government's economic policies have managed to stabilise inflation. The country's CPI grew at a relatively mild pace of 2.4% in the first half of 2013. However, the PPI continued to fall by 2.2%, which has raised concerns among general public about the ongoing economic slowdown in China. Policymakers are generally believed to have engaged in more immediate measures to reduce the risk of a hard landing and to strengthen consumer confidence in China's economic outlook.

Stronger Sportswear Brands Gain Advantage amid Industry Consolidation

China's sportswear industry as a whole has been facing challenges stemming from excessive inventory and over-expanded retail channels over the past few years. Industry players have taken actions to resolve these problems by reducing future orders, closing stores, clearing ageing inventory and reforming their retail channels. Although their inventory levels and number of stores have been normalising gradually, there remains some uncertainty associated with high operating costs and intense competition, thereby accelerating consolidation in China's sportswear industry.

Stronger sportswear brands are generally expected to outperform their peers and to achieve long-term growth by leveraging their core strengths, including effective brand positioning and marketing strategies, sound management of distribution networks, cost-efficient operational systems, strong R&D capabilities and highly differentiated products. The growing popularity of sports in China also boosts consumer demand for sportswear with better functions, quality and designs. Therefore, it is generally believed that sportswear brands that are more differentiated, more responsive to market trends and capable of delivering value for money and innovative products to consumers will benefit from the industry consolidation.



CHINA'S ECONOMIC DATA

National Income	GDP	RMB24,800.9 billion	YoY ↑ 7.6%
Urban Residents' Income	Per capita annual disposable income	RMB13,649	YoY ↑ 6.5%*
Consumption	Total retail sales of consumer goods	RMB11,076.4 billion	YoY ↑ 12.7%
	Clothing sector (including sports footwear and apparel)	RMB541.5 billion	YoY ↑ 11.9%
Inflation	CPI	102.4 (2012 1H=100)	YoY ↑ 2.4%
	PPI	97.8 (2012 1H=100)	YoY ↓ 2.2%

* Actual growth after deducting price factors

Source: National Bureau of Statistics of China (as at 30 June 2013)

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS REVIEW

BRAND MANAGEMENT

Strong Brand Equity

We position ourselves as a functional sportswear brand that focuses on the mass market.

Accordingly, we have adopted an effective brand management strategy that integrates influential sponsorship resources with innovative promotional channels to reinforce our differentiated brand image and the level of brand association. Moreover, we also utilise popular digital social networks and broadcast media to enhance our reach in a cost-effective manner. Meanwhile, we also enhance in-store marketing and have upgraded our store image to draw the attention of consumers.

1. ANTA Representing China's Sports Essence

As the strategic partner of the COC and the CSD since 2009, we have collaborated closely with the COC to roll out a well-rounded integrated marketing campaign centered on a number of important sporting events. We have successfully extended our partnership with the COC for the 2013 to 2016 Olympic cycle, making us the "Sportswear Partner of the COC" for eight consecutive years. The renewal of the contract and our sustained friendly partnership not only proves that our brand and products are well recognised by the Chinese government and China's top-tier athletes, but also solidify our image as the "representative of China's sports essence". Meanwhile, we have been focusing on R&D work for the high-quality winning outfit for the Tianjin East Asian Games in China.

Apart from our strategic partnership with the Water Sports Management Centre and Winter Sports Management Centre, we have also become the strategic partner of the General Administration of Sport of China's Boxing and Taekwondo Sports Management Centre, making us the first domestic sportswear brand to provide professional sportswear to the national boxing team, taekwondo team and karate team. For the 2013 to 2016 Olympic

cycle, we will provide professional sportswear outfits for 16 China national teams under these three sports management centres for competitions, awards ceremonies, trainings and daily usage. Being a sponsor of these national sports management centres not only makes our sponsorship resources to China's national teams more comprehensive, but also creates synergy with our cooperation with the COC in solidifying ANTA's brand image as the representative of sports essence in China.

Being committed to promoting the development of sports in China, we have signed an endorsement contract with two-times Olympic boxing gold medalist Mr. Zou Shiming. Simultaneously, we have launched a brand new boxing training product series endorsed by Mr. Zou Shiming under the cross training portfolio. The endorsement with one of the most outstanding figures on the international boxing scene will help speed up the internationalisation of the boxing in China and promote ANTA's cross training product series, achieving a win-win marketing outcome.



2. ANTA Being a Functional and Mass Market Brand

Riding on our performance-based products and innovative marketing campaign, we have become one of the most desired domestic sportswear brands in China's mass market. During the period, we have further leveraged our sports sponsorships to promote our professional image, particularly in the basketball, running and cross-training segments. Our endorsed NBA players Kevin Garnett and Luis Scola, as well as our



sponsorship of the Outdoor Street Basketball League, have strengthened our leading position in the professional basketball segment. Furthermore, we have sponsored the Olympic Day Run for five consecutive years to promote the "Sports for All" spirit and the joyfulness of running. This year's Olympic Day Run was the largest in history, held in 23 cities in China, attracting nearly 100,000 long-distance running enthusiasts throughout the country.

During the period, we have also launched an interactive marketing campaign to highlight the technological value of our performance-based products. We integrated our differentiated products into various media channels such as TVCs, newspapers, TV media on public transportation as well as ANTA retailers' stores to enhance our reach in the mass market. For example, we held a series of interactive activities and demonstration zones on key pedestrian streets to let consumers experience the functionality of our brand new A-Silo 3.0 running shoes. To capitalise on the popularity in online marketing, we utilised digital social networks, broadcast media and our website to interact with our target consumers.



We are committed to maintaining a smart store image that is consistent with our brand ideology. We encouraged our retailers to upgrade their store image to the sixth generation standard so as to provide consumers a refreshing shopping experience. Store décor and promotional materials such as in-store posters are provided to retail stores to highlight the marketing themes and the main products of the season. We further optimised the "COC Corners" and "Grand Basketball Corners" at key stores to put our special product series in the spotlight.



MANAGEMENT DISCUSSION AND ANALYSIS

DISTRIBUTION NETWORK MANAGEMENT

Image Stores

1. Network Scale in China

From the outset, we have aimed to build a lean and effective network structure with accountability and responsibility clearly established. Our sales team manages the nationwide distributors who monitor and guide franchisees proactively. In addition to enhancing our leading position in the mass market, particularly in the second-and third-tier cities, we strategically optimised all forms of our retailers' stores. As at 30 June 2013, the number of ANTA performance-based sportswear stores and Sports Lifestyle series stores stood at 7,834 (end of 2012: 8,075). Meanwhile, we optimised the network of Kids sportswear series stores to capture the mass market demand for kids products. As at 30 June 2013, the number of Kids sportswear series stores stood at 811 (end of 2012: 833).

2. Effective Retail Management

We believe that network sustainability is closely linked to the health and profitability of our distributors and franchisees. With this belief, we have a strong connection with our retailers as we all uphold the target of continuous optimisation of store efficiency. In view of uncertainty in the market, we proactively examine and adjust future orders from our retailers so as to reduce their potential risks in over-stocking and deep discounting. Our well-managed clearance channels, including factory outlets, discount stores and e-commerce channels, have enabled us to reduce inventory pressure at a faster pace. Through our real-time ERP system, weekly reports submitted by

POS and frequent channel checks by our sales people, we can monitor retail performance so as to provide guidance to retailers according to market changes. Meanwhile, we have optimised all forms of supportive measures to help our retailers overcome the current challenges in the market and to achieve long-term sustainability.

3. Outstanding Store Image

We are committed to maintaining an attractive store image so as to enhance our leading position. We project a consistent store image by standardising POP materials to highlight the marketing themes of each season. During the period, we continued to encourage retailers to upgrade store layout by adopting the sixth generation store image. The eye-catching layouts at our flagship stores in prime locations also showcased our distinctive brand image. We further optimised our "COC Corners" and "Grand Basketball Corners" at key stores to put our special product series in the spotlight.

e-commerce channels so as to prevent product cannibalisation and channel conflict between our online and offline stores.

Overseas Markets

Leveraging our partnership with the COC, we have been able to raise our international profile, helping our sales performance in overseas markets. Hence, we have cooperated with overseas distributors to expand our presence in Southeast Asia, Eastern Europe and the Middle East markets, which help us fuel our long-term growth.

E-commerce

In early 2010, we have launched our first online flagship store on taobao.com to capture the growing popularity of e-shopping among Chinese consumers. Since then, we have strategically expanded our presence and visibility on popular e-commerce platforms, including amazon.cn, jd.com, vancl.com and 2gou.com. Our high quality, functional products which offering good value-for-money have received favourable response from online consumers. We have also tailor-made a number of designated products for our





SUPPLY CHAIN MANAGEMENT

Differentiated Products with Strong Value-for-Money

Differentiated products are the cornerstone of sustainable growth. We always make the best use of our R&D resources and regularly launch new technology to enhance the functionality and the value of our products. Despite the uncertainty in the domestic sportswear market, we are glad to see the improved demand for ANTA products. During the period, we have been ranked the top seller of travel and sports shoes in the “2012 China Retail Consumption Statistical Analysis” conducted by the China General Chamber of Commerce and the China National Commercial Information Centre for the past consecutive 12 years. Moreover,

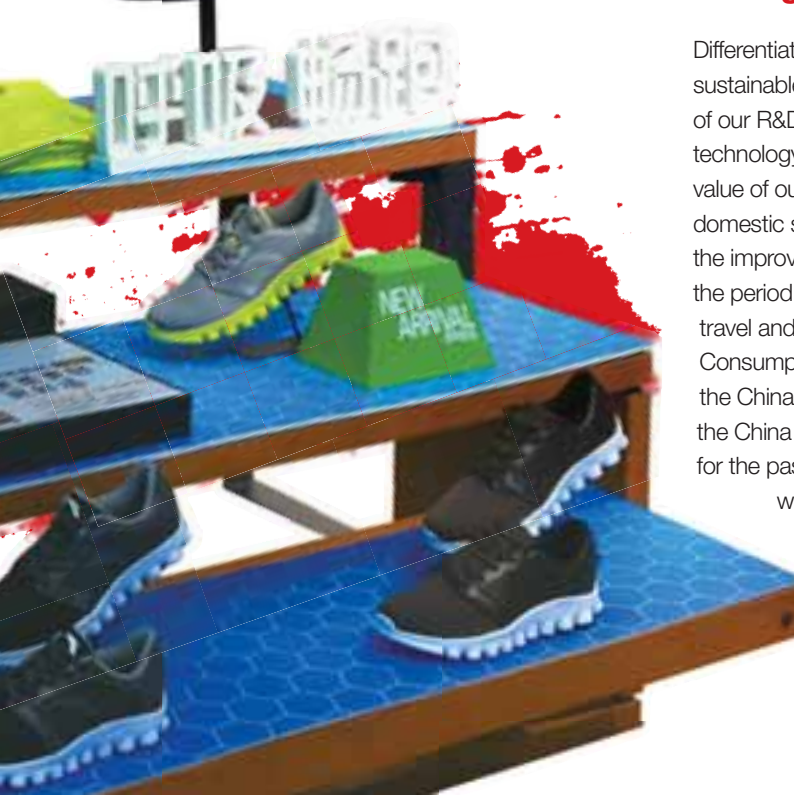
we strategically optimised the execution capabilities of our supply chain to enhance our efficiency in replenishing the best-selling items.

Product Innovation

We are devoted to enhancing our R&D resources to deliver functional and stylish sportswear products to our consumers. Facing difficulties in the current market, we have continued to strengthen our internal R&D team and have been collaborating with external professionals to optimise our core technology. During the period, we have upgraded our A-Silo technology and launched the A-Silo 3.0 running shoes. Featuring human engineering design, the new running shoes provide better fit, making the shoes suitable for mid- to long-distance running and training and also helping to improve running posture and prevent injuries. The nodes at the sole are arranged and distributed in different sizes according to the bone structure and pressure points of the feet so as to provide better support and cushioning for runners. In addition, the A-Silo 3.0 running shoes incorporate our A-Web technology with greater permeability, which not only prevent the incursion of sand and dust, but also offer a greater degree of comfort to runners by keeping their feet dry. During the period, we have also introduced over 1,100, 800 and 650 new styles to our footwear, apparel and accessories portfolios, respectively, to cater for both professional and casual users.

Quality Control

We are committed to reinforcing product quality as we believe our consumers deserve comfort and protective sportswear products. We have adopted ISO international testing standards to ensure that the quality of our products complies with international standards. Meanwhile, we see quality control as a full-spectrum process, and our quality management team is involved in every step of the manufacturing process. We encourage our suppliers to engage in product quality improvement in an ongoing basis. Not only do we provide quality control training to our suppliers, but we have also

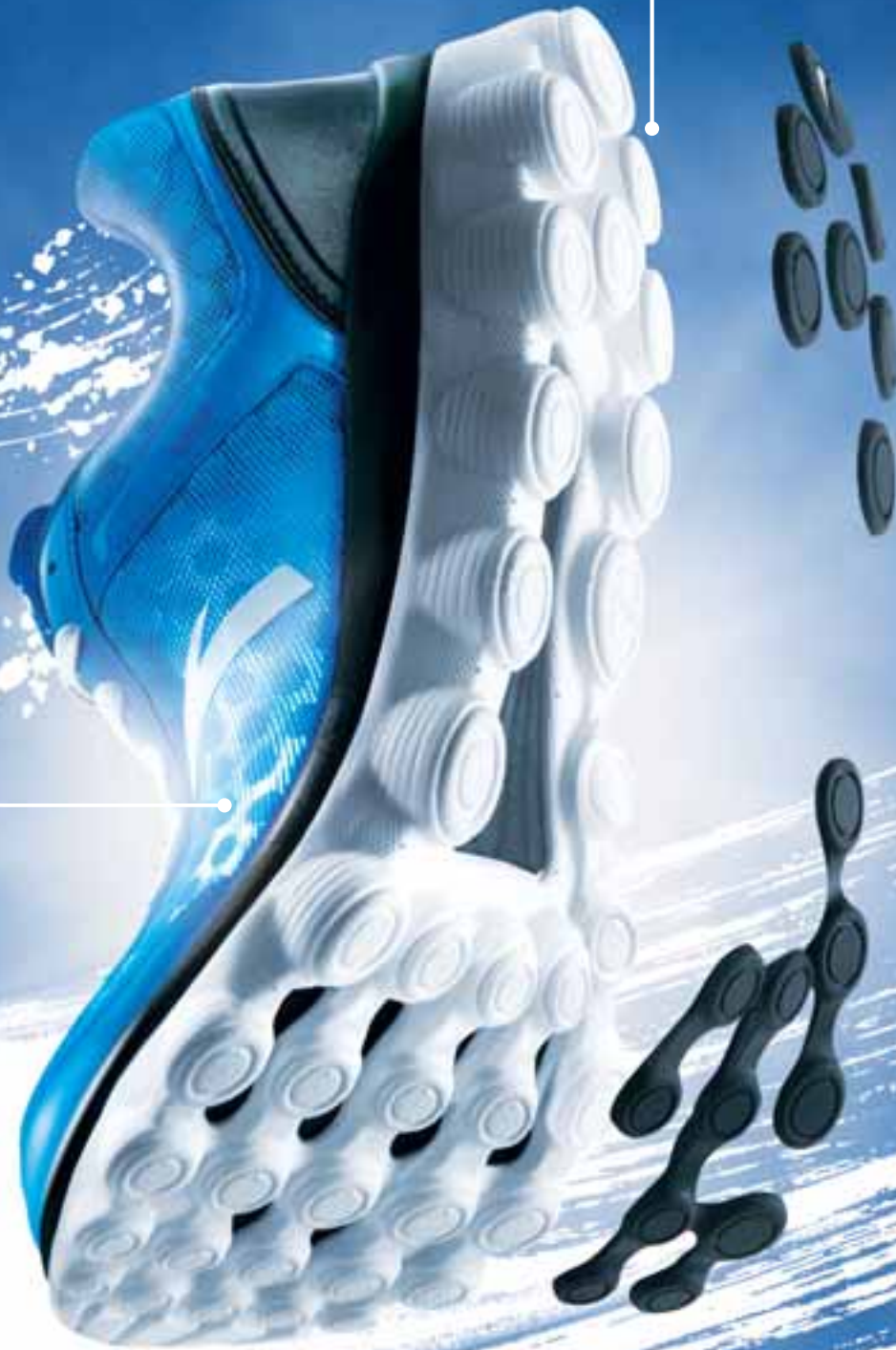


A-SILO

A-SILO is an innovative sole featuring individual nodes that provide advanced energy return performance and plantar pressure comfort. The nodes of the newly developed A-SILO 3.0 are arranged and distributed in different sizes according to the bone structure and pressure points of the feet so as to provide better support and cushioning for runners

A-WEB

A-WEB is a more permeable technology, which not only prevents incursion from sand and dust, but also offers a greater degree of comfort for runners by keeping their feet dry



optimised duo-checking system for raw materials and finished products to identify and eliminate potential problems.

Supply Chain and Operational Management

To enhance our responsiveness to changes in consumer demand, we consistently improve our supply chain so as to shorten the production lead time. Our cohesive relationships with quality OEM and ODM, as well as our in-house production capabilities, give us the flexibility to adjust production schedules to meet unforeseeable demand. Furthermore, we support our supply chain partners in enhancing workflow efficiency so as to improve their responsiveness to market changes.

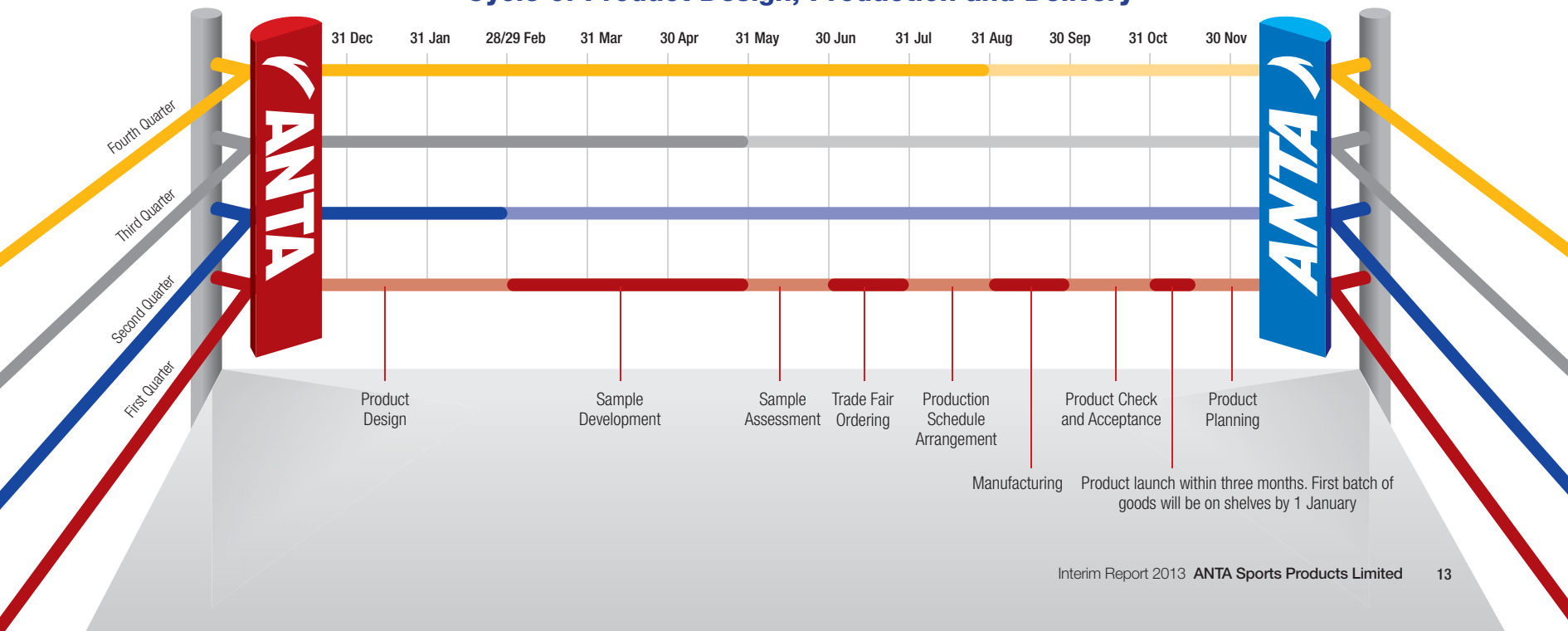


Production Capabilities

We adopt a strategic mix of in-house and outsourced production to better respond to market conditions. In order to enhance our flexibility to fulfill replenishment orders, we further enhance

the efficiency of our production while maintaining our cost-leadership. For the period, the respective proportions of self-produced footwear and apparel and procured footwear and apparel were 52.4% and 16.1%, respectively (2012 1H: 38.9% and 13.2%).

Cycle of Product Design, Production and Delivery





LA POLICE

VITA



FILA

FILA is a well-known global sportswear brand that targets the high-end market segment. The Fila business in the PRC helps us tap the promising potential in the high-end sportswear market. We spare no effort in strengthening our presence in this segment by strategically opening stores in key locations of major cities in the PRC. As at the end of June 2013, there were 332 FILA stores operating in China, Hong Kong and Macao, further boosting FILA's brand reputation and desirability in the PRC market. Meanwhile, we continue to foster the quality of the decor and product displays by revamping the FILA stores to the third generation store layout.

In addition to implementing our network expansion strategy, we are dedicated to raising awareness of FILA and deepening FILA's impact on the young elite segment in the PRC.

In January 2013, a large-scale FILA fashion show was held in Beijing to unveil the "La Dolce Vita" themed 2013 Spring/Summer collection. Besides, in June 2013, another new

collection "Viaggio del Rinascimento" was showcased at the FILA 2013 Fall/Winter collection launching event in Macao. Ms. Shu Qi, a well-known movie star, also named the ambassadress for these collections. FILA's trendy lifestyle brand image and stylish new products were successfully promoted through her unique charisma and a nationwide advertising campaign. More importantly, FILA has become an Official Sports Uniform Sponsor for the Hong Kong, China Delegation since 2012, enabling the heritage and uniqueness of the FILA products to capture the attention of our targeted consumers at major international sporting events.

Since acquiring the Fila business in the PRC in 2009, we have integrated our R&D and design talents in China and Hong Kong, our experienced supply chain partners, as well as FILA's worldwide resources, to differentiate and diversify our products from all other sportswear products. In addition to the new collections mentioned above, we continue to cooperate with renowned fashion designer Matthew Waldman to roll out the most eye-catching "FILA x NOOKA" products.

Ms. Shu Qi,
FILA's Ambassadress
in the PRC

MANAGEMENT DISCUSSION AND ANALYSIS

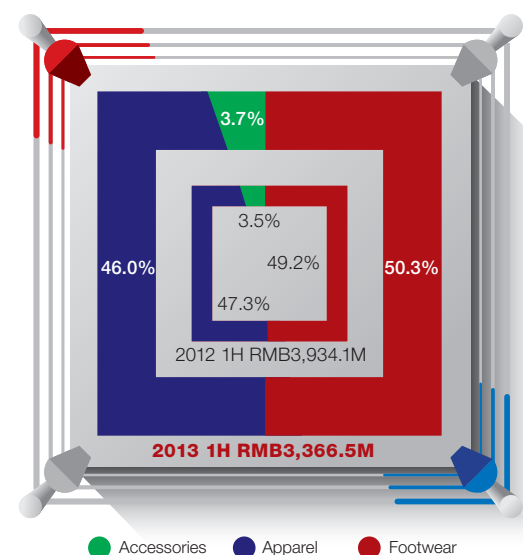
FINANCIAL REVIEW

Turnover Breakdown by Product Category

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

Six months ended 30 June					
	2013		2012		Changes (%)
	(RMB million)	(% of turnover)	(RMB million)	(% of turnover)	
Footwear	1,691.8	50.3	1,936.6	49.2	↓ 12.6
Apparel	1,548.7	46.0	1,859.7	47.3	↓ 16.7
Accessories	126.0	3.7	137.8	3.5	↓ 8.6
Overall	3,366.5	100.0	3,934.1	100.0	↓ 14.4

During the financial period, turnover decreased by 14.4% as compared with the same period in 2012 because of impact from keen competition and destocking activities in the market.



Gross Profit and Gross Profit Margin Breakdown by Product Category

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

Six months ended 30 June					
	2013		2012		Changes (% point)
	Gross profit (RMB million)	Gross profit margin (%)	Gross profit (RMB million)	Gross profit margin (%)	
Footwear	721.1	42.6	822.4	42.5	↑ 0.1
Apparel	620.1	40.0	772.0	41.5	↓ 1.5
Accessories	42.9	34.0	49.3	35.8	↓ 1.8
Overall	1,384.1	41.1	1,643.7	41.8	↓ 0.7

The footwear gross profit margin has remained stable even if the ASP was dropped due to keen market competition, because of improved production efficiency contributed by the newly acquired production facilities in 2012. The decrease in apparel gross profit margin was mainly due to drop of ASP arising from keen market competition.

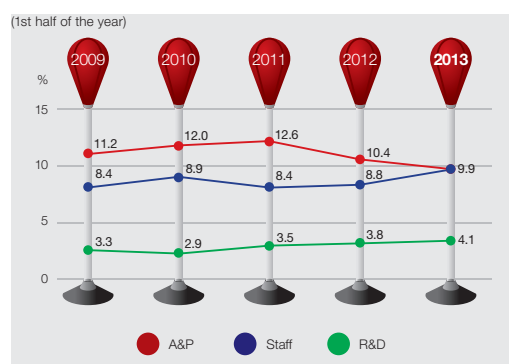
Other Revenue

Other revenue for the financial period mainly represented government grants of RMB20.1 million (2012: RMB34.8 million).

Operating Expenses Ratios

The ratio of advertising and promotional expenses to turnover has decreased by 0.5% point for the financial period due to more efficient spending on advertising and media broadcasting and no major sponsoring activities in the first half of 2013. The ratio of staff costs to turnover has increased by 1.1% point mainly due to the decrease in turnover. The ratio of R&D costs to cost of sales has increased by 0.3% point mainly due to decrease in cost of sales.

Operating Expenses Ratios



Operating Profit Margin

Operating profit margin decreased by 1.0% point which was more than the 0.7% point decrease in the gross profit margin for the financial period, which was mainly due to the decrease in other revenue.

Net Finance Income

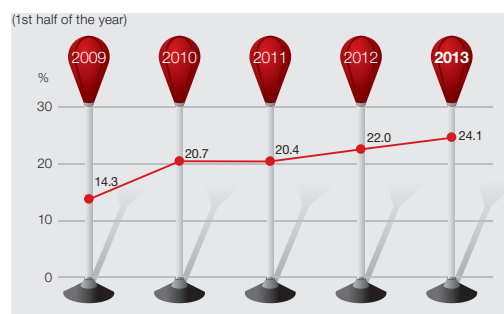
The increase in interest income was mainly due to placement of longer tenor deposits with higher interest rate during the financial period.

Finance expenses mainly included the interest expense on short-term secured bank loans during the financial period.

Effective Tax Rate

Effective tax rate increased from 22.0% for the first half of 2012 to 24.1%, mainly because certain subsidiaries in the PRC which were entitled to a lower preferential tax rate in 2012 have been subject to a higher preferential tax rate since 1 January 2013.

Effective Tax Rate



Margin of Profit attributable to Equity Shareholders

Margin of profit attributable to equity shareholders decreased by 1.0% point for the financial period which was due to the 1.0% point decrease in operating profit margin and the increase in the effective tax rate, partially offset by the increase in the interest income.

Write Down of Inventories

After reviewing the 2012 interim financial position and the inventory level of the distributors, the Group provided more incentives to the distributors during the second half of 2012 so as to encourage them to clear the accumulated inventories. The Group also re-purchased certain slow moving inventories from the distributors proactively. These inventories would be digested in other channels under the Group's co-ordination. Further to making a write-down of RMB90.5 million for the inventories held as at 31 December 2012, the Group has made a small increase of write-down amounting to RMB6.4 million for the financial period.

Provision for Doubtful Debts

For the financial period, the provision for doubtful debts charged to the profit and loss was RMB28.3 million (2012: RMB85.5 million).

Dividends

The Board has recommended an interim dividend of HK19 cents per ordinary share in respect of the financial period, representing a total payout of RMB376.6 million (2012: RMB468.9 million), or a distribution of 60.2% (2012: 60.9%) of the current financial period's profit attributable to equity shareholders.

Liquidity and Financial Resources

As at 30 June 2013, the cash and cash equivalents of the Group amounted to RMB3,671.6 million (not including fixed deposits held at banks with maturity over three months totalling RMB1,332.7 million), representing a decrease of RMB336.0 million as compared with the cash and cash equivalents of RMB4,007.6 million as at 31 December 2012. The net cash and cash equivalents (including pledged deposits plus other current financial assets minus secured bank loans) was RMB5,061.6 million as at 30 June 2013 (as at 31 December 2012: RMB5,045.8 million). This is mainly attributable to:

- Net cash inflows from operating activities amounted to RMB646.4 million, which is more than the profit attributable to equity shareholders, representing strong working capital management.
- Net cash outflows from investing activities amounted to RMB432.5 million, including capital expenditures amounting to RMB111.9 million, net increase in placement of fixed deposits held at banks with maturity over three months by RMB352.7 million, an uplift of pledged deposit for a secured bank loan amounting to RMB210.0 million, and net increase in other current financial assets amounting to RMB180.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

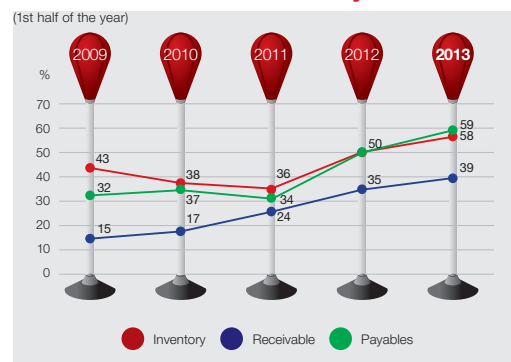
- Net cash outflows from financing activities amounted to RMB545.3 million, which represented the payment of the final and special dividends in respect of the financial year 2012, and repayment of a secured bank loan offsetting with the new drawdown of a secured bank loan.

As at 30 June 2013, total assets of the Group were RMB10,163.9 million of which current assets were RMB8,237.3 million. Total liabilities and non-controlling interests were RMB3,326.5 million and total shareholders' equity amounted to RMB6,837.4 million. The Group's gearing ratio was 9.5% as at 30 June 2013 (as at 31 December 2012: 9.9%), being a ratio of secured bank loans of RMB967.4 million (as at 31 December 2012: RMB996.5 million) to total assets.

Assets/Liabilities Turnover Ratio

The average inventory turnover days increased by 8 days, mainly due to decrease in cost of sales. The average trade receivables turnover days increased by 4 days mainly due to decrease in sales turnover. The average trade payables turnover days increased by 9 days, mainly due to decrease in cost of sales.

Assets/ Liabilities Turnover Days



Six months ended 30 June		
	2013 (RMB million)	2012 (RMB million)
Operating cash inflow	646.4	1,009.9
Capital expenditure	(111.9)	(182.8)
Others	6.1	–
Free cash inflow	540.6	827.1
Cash and bank balances (including pledged deposits)	5,019.0	4,939.9
Other current financial assets	1,010.0	330.0
Secured bank loans	(967.4)	(528.6)
Net cash and cash equivalents as at 30 June	5,061.6	4,741.3

Pledge of Assets

As at 30 June 2013, the Group had unlisted available-for-sale investments of RMB1,010.0 million (as at 31 December 2012: RMB830.0 million) and bank deposits of RMB14.7 million (as at 31 December 2012: RMB224.7 million) pledged to secure bankers' documentary credits for certain construction projects and secured bank loans.

Capital Commitments and Contingencies

As at 30 June 2013, the Group had capital commitments of RMB196.6 million, primarily relating to the development of new information management systems and the expansion of in-house production facilities.

As at 30 June 2013, 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. 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

During the financial period, the Group has made no significant investments or any material acquisition or disposal of subsidiaries. The Group continues to seek business opportunities such as acquisition of and cooperation with international sportswear brands to operate brand management business so as to increase the returns on shareholders' equity.

PROSPECTS

The issue of excess inventory in China's sportswear industry continues to bring uncertainty to industry players in the short-term. However, our strong fundamentals make us capable of coping with potential challenges and the intense competition ahead. Meanwhile, we have seen sequential improvements in our operational performance and the confidence of our retailers. We believe our strong execution and proper management of distribution network enable us to bottom out at a faster pace than our peers. Looking forward, we will leverage our core strengths to maintain our leading position and to meet the growing demand for sportswear in the long run.

Strengthening Our Brand with Effective Marketing Strategies

We have always focused on cost-effectiveness as well as the synergy between our diverse sports resources and our branding strategies. Our continuing long term partnership with the COC proves that our brand and products have long been trusted and recognised by the Chinese government and China's top-tier athletes. To further differentiate our brand among peers, we will make every effort to provide to the CSD and our sponsored China national teams high-quality sportswear at major international sporting events during the 2013-2016 Olympic cycle. Furthermore, we are dedicated to strengthening our leadership in high-potential market segments and will leverage the strong influence of our endorsed sports stars and our eye-catching advertising and marketing campaigns across China.

Reinforcing Distribution Network to Stay Competitive

In order to maintain a sustainable distribution network, we will continue to consolidate stores in less optimal locations or with expiring leases. We



expect that there will be total of between 7,600 to 7,700 ANTA stores (including Sports Lifestyle), 800 to 850 Kids sportswear series stores and 350 to 400 FILA stores in the PRC by the end of 2013. Moreover, we will further optimise all forms of our retailers' stores to improve store image and operating efficiency. We will also adopt effective measures to help our retailers stay competitive and achieve better profitability in the long run.

Enhancing Product Differentiation through Continuous Innovation

We always make the best use of our R&D resources and introduce new technologies regularly to enhance the functionality of affordable ANTA products. We will continue to provide consumers comfort, foot protection and hygiene by integrating our advanced technologies such as A-Jelly, A-Silo and A-Web into ANTA athletic footwear. Moreover, high performance fabrics for different sports and weather conditions will be applied to our diverse range of apparel products. We will also stay abreast of fashion trends so as to better cater for the increasing consumer demand on stylish sportswear. In addition, more eye-catching FILA collections will be launched through highly-effective publicity campaigns and the POP featuring our ambassadress Ms. Shu Qi to showcase FILA's unique brand image and trendy lifestyle to high-end consumers.

Achieving Sustainability through the Optimisation of Operations

The extensive coverage of our advanced ERP system in the distribution network enables us to monitor our retailers' performance and to manage in-store inventory more effectively. It also gives us better visibility on consumer demand, allowing us to devise precise ordering plans for our retailers. We will enhance efficiency in processing replenishment orders and will further shorten the lead time involved. The execution capabilities of our supply chain will also be strengthened, allowing us to maintain our cost-leadership. We believe all these measures will help us capture potential opportunities and to achieve sustainable growth.



CORPORATE SOCIAL RESPONSIBILITY REPORT



Established Sports Charity Platform to Promote Development of Sports Charity in China

In January 2013, we collaborated with the COC, the Champion Fund and the Juan Antonio Samaranch Foundation to launch the “Olympic Charity Collaboration Alliance”, which aims to promote the development of Olympic sports and sports charity work in China. As the sole enterprise participating in the “Olympic Charity Collaboration Alliance”, we will demonstrate our outstanding ability to integrate resources for sports-related charity work and promote the “Sports for All” movement and the comprehensive development of sports in China.

Participated in “Sport-All for All” Charity Project and “Supporting Ya’an” Volunteer Service Work

“Sport-all for all”, the first charity project established by the “Olympic Charity Collaboration Alliance”, was launched in Beijing in April 2013. As the first enterprise to participate in the “Sport-all for all” charity project, we donated RMB20 million of sportswear to nearly 200 schools in over 10 provinces and municipalities to promote the Olympic spirit and to boost the popularity of sports at schools. The “Olympic Charity Collaboration Alliance” also rallied the sporting community to provide volunteer service to “Supporting Ya’an”. RMB2 million in ANTA’s sportswear was brought to the children in Ya’an earthquake-stricken area by Yang Yang, the Champion Fund’s founder, together with Chinese champion athletes such as Feng Kun, Yang Wei, Wang Liping, Guo Dandan, et al.. On 1 June, they had a joyful Children’s Day with the children of Ya’an and shared the happiness and health benefits of sports.

Donated Cash and Coats to Ya’an Earthquake-Stricken Area

In response to the severe earthquake that hit Ya’an, Sichuan Province in April 2013, we took immediate action to donate RMB10 million in cash and supplies for rescue and relief work, as well as for reconstruction. Meanwhile, our staff members also donated money to Ya’an to extend our sympathy and condolences to the victims.

Took Practical Action to Promote Green Living

In March 2013, about 80 staff members spent a meaningful day planting over 100 saplings in Wuling Farm, Quanzhou. Apart from participation in the tree planting event, we also helped clean up the farm so as to fulfill our environmental commitments through efforts in promoting green living.



REVIEW REPORT OF THE AUDITORS



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 22 to 35 which comprises the condensed consolidated statement of financial position of ANTA Sports Products Limited as of 30 June 2013 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 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

A handwritten signature of the KPMG firm, written in dark blue ink. The signature is stylized and cursive, appearing to read 'KPMG'.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

6 August 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2013 RMB'000	2012 RMB'000
Turnover	3	3,366,545	3,934,105
Cost of sales		(1,982,432)	(2,290,446)
Gross profit		1,384,113	1,643,659
Other revenue		29,035	40,472
Other net loss		(6,365)	(499)
Selling and distribution expenses		(493,026)	(512,422)
Administrative expenses		(177,502)	(271,517)
Profit from operations		736,255	899,693
Net finance income	4	94,431	88,192
Profit before taxation	5	830,686	987,885
Taxation	6	(200,280)	(217,715)
PROFIT FOR THE PERIOD		630,406	770,170
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Mainland China		(4,697)	(118)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		625,709	770,052
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the Company		625,749	769,619
Non-controlling interests		4,657	551
PROFIT FOR THE PERIOD		630,406	770,170
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity shareholders of the Company		621,052	769,501
Non-controlling interests		4,657	551
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		625,709	770,052
		RMB cents	RMB cents
Earnings per share	7		
— Basic		25.09	30.86
— Diluted		25.05	30.80

The accompanying notes form part of this interim financial report. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 19(i).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013 – unaudited
(Expressed in Renminbi)

	Note	30 June 2013 RMB'000	31 December 2012 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	8	888,011	894,527
Construction in progress	9	31,188	22,991
Lease prepayments	10(a)	151,316	153,529
Prepayments for acquisition of land use rights	10(b)	152,480	151,417
Intangible assets	11	517,604	528,857
Other financial assets		35,100	31,120
Deferred tax assets	18(b)	150,940	151,148
Total non-current assets		1,926,639	1,933,589
Current assets			
Inventories	12	575,787	687,404
Trade and other receivables	13	1,632,537	1,372,801
Other financial assets	14	1,010,000	830,000
Pledged deposits	14	14,734	224,734
Fixed deposits held at banks with maturity over three months	15	1,332,670	980,000
Cash and cash equivalents	15	3,671,554	4,007,535
Total current assets		8,237,282	8,102,474
Total assets		10,163,921	10,036,063
Current liabilities			
Bank loans	16	967,427	996,502
Trade and other payables	17	1,841,019	1,774,000
Amount due to a related party	21(b)	3,074	2,430
Current taxation	18(a)	97,542	124,977
Total current liabilities		2,909,062	2,897,909
Net current assets		5,328,220	5,204,565
Total assets less current liabilities		7,254,859	7,138,154

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2013 – unaudited
(Expressed in Renminbi)

	Note	30 June 2013 RMB'000	31 December 2012 RMB'000 (audited)
Non-current liabilities			
Long-term payable to non-controlling interests – unsecured and at amortised cost		39,335	38,565
Deferred tax liabilities	18(b)	192,996	166,883
Total non-current liabilities		232,331	205,448
Total liabilities		3,141,393	3,103,357
Net assets		7,022,528	6,932,706
Equity			
Share capital	19	242,019	242,019
Reserves	19	6,595,386	6,510,221
Total equity attributable to equity shareholders of the Company		6,837,405	6,752,240
Non-controlling interests		185,123	180,466
Total liabilities and equity		10,163,921	10,036,063

The accompanying notes form part of this interim financial report.



Ding Shizhong
Chairman and Chief Executive Officer



Lai Shixian
Chief Operating Officer



Ling Shing Ping
Chief Financial Officer

Hong Kong, 6 August 2013

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013 – unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company											
	Note	Share	Share	Capital	Statutory	Exchange	Share-based	Retained	Total	Non-	Total	
		capital	premium	reserve	reserve	reserve	compensation	profits		controlling		equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000		RMB'000
Note 19(a)	Note 19(b)	Note 19(c)	Note 19(d)	Note 19(e)	Note 19(f)							
Balances as at 1 January 2012		242,019	335,135	141,029	410,943	(315,432)	58,404	5,499,792	6,371,890	46,660	6,418,550	
<i>Changes in equity for the six months ended 30 June 2012:</i>												
Profit for the period		-	-	-	-	-	-	769,619	769,619	551	770,170	
Other comprehensive income		-	-	-	-	(118)	-	-	(118)	-	(118)	
Total comprehensive income for the period		-	-	-	-	(118)	-	769,619	769,501	551	770,052	
Equity-settled share-based payments	19(f)	-	-	-	-	-	8,781	-	8,781	-	8,781	
Dividends approved in respect of the previous year	19(i)	-	-	-	-	-	-	(526,697)	(526,697)	-	(526,697)	
Appropriation to statutory reserve		-	-	-	15,267	-	-	(15,267)	-	-	-	
Balances as at 30 June 2012		242,019	335,135	141,029	426,210	(315,550)	67,185	5,727,447	6,623,475	47,211	6,670,686	
Balances as at 1 January 2013		242,019	335,135	141,029	439,847	(312,610)	72,779	5,834,041	6,752,240	180,466	6,932,706	
<i>Changes in equity for the six months ended 30 June 2013:</i>												
Profit for the period		-	-	-	-	-	-	625,749	625,749	4,657	630,406	
Other comprehensive income		-	-	-	-	(4,697)	-	-	(4,697)	-	(4,697)	
Total comprehensive income for the period		-	-	-	-	(4,697)	-	625,749	621,052	4,657	625,709	
Equity-settled share-based payments	19(f)	-	-	-	-	-	(34,872)	-	(34,872)	-	(34,872)	
Dividends approved in respect of the previous year	19(i)	-	-	-	-	-	-	(501,015)	(501,015)	-	(501,015)	
Appropriation to statutory reserve		-	-	-	13,822	-	-	(13,822)	-	-	-	
Balances as at 30 June 2013		242,019	335,135	141,029	453,669	(317,307)	37,907	5,944,953	6,837,405	185,123	7,022,528	

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2013 RMB'000	2012 RMB'000
Net cash generated from operating activities		646,446	1,009,946
Net cash used in investing activities*		(432,458)	(762,746)
Net cash used in financing activities		(545,272)	(179)
Net (decrease)/increase in cash and cash equivalents		(331,284)	247,021
Cash and cash equivalents as at 1 January		4,007,535	3,018,233
Effect of foreign exchange rate changes		(4,697)	(118)
Cash and cash equivalents as at 30 June	15	3,671,554	3,265,136

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 RMB2,305,280,000 (2012: RMB2,840,000,000) and RMB2,657,950,000 (2012: RMB2,880,000,000) respectively.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

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 Hong Kong Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, (“IAS 34”) issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 6 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements.

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 2012 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 2012 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 the Company’s auditors, 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 21.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new International Financial Reporting Standards (“IFRSs”) and amendments to IFRSs 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:

- Amendments to IAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- IFRS 10, *Consolidated financial statements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to IAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments to IAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group’s presentation of other comprehensive income in these financial statements has been modified accordingly.

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights or variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

3 TURNOVER

The principal activities of the Group are the manufacturing, trading and distribution of sporting goods including footwear, apparel and accessories in the PRC. Turnover represents the sales value of goods sold less returns, discounts, rebates and value added taxes, which may be analysed as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Anta products	2,797,487	3,584,354
Others*	569,058	349,751
Total turnover	3,366,545	3,934,105

Comparative figures of sales of Sports Lifestyle series have been reclassified from Others to Anta products to conform to current period's presentation.

* Others represent sales of products of Kids sportswear series, FILA branded products, sales through e-commerce and sales to overseas customers for the period.

The Group is engaged in the manufacturing, trading and distribution of ANTA branded sporting goods and the trading and distribution of FILA branded sporting goods ("the Fila Business in the PRC"). For the six months ended 30 June 2013, the turnover, the absolute amount of the financial results and the assets of the Fila Business in the PRC are all less than 10% of the respective combined amounts of both businesses. In addition, the Directors consider that the presentation of segment information of the Fila Business in the PRC would not be meaningful in this interim financial report. Therefore, no segmental information is presented.

For the six months ended 30 June 2013, there was no customer with whom transactions have exceeded 10% of the Group's turnover (2012: Nil).

4 NET FINANCE INCOME

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Interest income	106,149	93,306
Net foreign exchange gain	4,307	–
	110,456	93,306
Interest expenses on bank loans	(14,433)	(2,362)
Interest expense recognised on payable carried at amortised cost	(1,592)	(1,639)
Net foreign exchange loss	–	(1,113)
	(16,025)	(5,114)
Net finance income	94,431	88,192

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Cost of inventories sold (i) (note 12(b))	1,976,064	2,290,446
Staff costs (i) & (ii)	331,980	345,584
Depreciation (i)	48,059	31,961
Amortisation		
– lease prepayments	2,213	399
– intangible assets	12,835	12,127
Provision for doubtful debts	28,286	85,497
Subcontracting charges (i)	28,245	45,614
Operating lease charges in respect of properties	64,883	29,366
Research and development costs (i) & (ii)	81,014	86,081

5 PROFIT BEFORE TAXATION (Continued)

- (i) Cost of inventories sold includes subcontracting charges, staff costs, depreciation and research and development costs, total amounting to RMB324,498,000 (2012: RMB313,699,000).
- (ii) Research and development costs include staff costs for 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	
	2013	2012
	RMB'000	RMB'000
Current tax		
PRC Corporate Income Tax	173,959	245,045
Withholding tax on dividends	–	28,446
Deferred tax (note 18(b))		
Distribution of dividends	–	(28,446)
Origination and reversal of other temporary differences	26,321	(27,330)
	200,280	217,715

- (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, Macao Complementary (Profits) Tax, and Singapore Income Tax has been made as the Group does not have assessable profits subject to Hong Kong Profits Tax, Macao Complementary (Profits) Tax and Singapore Income Tax during the six months ended 30 June 2013 and 2012.
- (iii) In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance note, certain subsidiaries in Mainland China are entitled to tax concessions whereby the profits of these subsidiaries are taxed at preferential income tax rates. Taxation of the Group's subsidiaries in Mainland China are calculated using the applicable preferential income tax rates granted to these subsidiaries.

- (iv) According to the PRC Corporate Income Tax Law and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In addition, under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the PRC company. Deferred tax liabilities have been provided for based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008.

Dividends withholding tax represents tax charged by the PRC tax authority on dividends distributed by the Group's subsidiaries in Mainland China during the period.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2013 is based on the profit attributable to equity shareholders of the Company for the period of RMB625,749,000 (2012: RMB769,619,000) and the weighted average number of ordinary shares in issue during the six months ended 30 June 2013 of 2,494,163,000 (Six months ended 30 June 2012: 2,494,163,000). There was no change in the number of issued ordinary shares during both periods.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the weighted average number of ordinary shares in issue adjusted for the potential dilutive effect caused by the share options granted under the share option schemes (note 19(g) and 19(h)) assuming they were exercised.

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2013	2012
	'000 shares	'000 shares
Weighted average number of ordinary shares	2,494,163	2,494,163
Effect of deemed issue of shares under the Company's share option schemes	4,197	4,565
Weighted average number of ordinary shares (diluted)	2,498,360	2,498,728

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

8 PROPERTY, PLANT AND EQUIPMENT

	2013 RMB'000	2012 RMB'000
Net book value, as at 1 January	894,527	472,606
Additions	22,406	10,141
Transfer from construction in progress (note 9)	26,713	2,132
Disposals (net book value)	(7,576)	(273)
Depreciation charge for the period	(48,059)	(31,961)
Net book value, as at 30 June	888,011	452,645

As at 30 June 2013, buildings with carrying value amounting to RMB112,033,000 are still in progress of updating the property ownership certificates.

9 CONSTRUCTION IN PROGRESS

	2013 RMB'000	2012 RMB'000
As at 1 January	22,991	207,603
Additions	34,910	128,420
Transfer to property, plant and equipment (note 8)	(26,713)	(2,132)
As at 30 June	31,188	333,891

10 LEASE PREPAYMENTS/PREPAYMENTS FOR ACQUISITION OF LAND USE RIGHTS

(a) Lease prepayments

Lease prepayments represent prepayments for land use rights to the PRC authorities. The Group's leasehold land is located in the PRC. The Group is granted land use rights for a period of 50 years.

As at 30 June 2013, lease prepayments with carrying value amounting to RMB19,391,000 are still in progress of updating the land use right certificates.

(b) Prepayments for acquisition of land use rights

As at 30 June 2013, the Group made prepayments of RMB152,480,000 (31 December 2012: RMB151,417,000) for the acquisition of certain land use rights for self-operating properties under development in the PRC. The land use right certificates are under application as at 30 June 2013.

11 INTANGIBLE ASSETS

	2013 RMB'000	2012 RMB'000
Net book value, as at 1 January	528,857	540,614
Additions	1,582	3,567
Amortisation for the period	(12,835)	(12,127)
Net book value, as at 30 June	517,604	532,054

12 INVENTORIES

(a) Inventories in the condensed consolidated statement of financial position comprise:

	30 June 2013 RMB'000	31 December 2012 RMB'000
Raw materials	131,411	92,542
Work in progress	77,394	91,730
Finished goods	366,982	503,132
	575,787	687,404

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Carrying amount of inventories sold	1,976,064	2,290,446
Write down of inventories	6,368	-
	1,982,432	2,290,446

13 TRADE AND OTHER RECEIVABLES

	30 June 2013 RMB'000	31 December 2012 RMB'000
Trade receivables	845,521	710,582
Less: provision for doubtful debts	(72,624)	(44,338)
	772,897	666,244
Advance payments to suppliers	531,887	474,032
Deposits and other prepayments	182,490	76,221
Prepayment for construction costs	175	2,912
VAT deductible	91,453	110,180
Interest receivables	45,416	36,357
Other receivables	8,219	6,855
	1,632,537	1,372,801

All of the trade and other receivables (net of provision for doubtful debts) are expected to be recovered or recognised as expenses within one year. An ageing analysis of the trade receivables is as follows:

	30 June 2013 RMB'000	31 December 2012 RMB'000
Current	700,274	621,908
Less than 3 months past due	118,682	81,289
Past due over 3 months	26,565	7,385
	845,521	710,582

The movement in the provision for doubtful debts during the period is as follows:

	2013 RMB'000	2012 RMB'000
As at 1 January	44,338	–
Charged to profit and loss	28,286	85,497
As at 30 June	72,624	85,497

The Group normally grants a credit period of 30 to 90 days to its customers. Receivables that were current relate to customers for whom there was no recent history of default. As at 30 June 2013, the Group has assessed the recoverability of the receivables past due and established a provision of doubtful debts. The provision for doubtful debts is recorded using a provision account unless the Group is satisfied that recovery is remote, in which case the unrecovered loss is written off against trade receivables and the provision for doubtful debts directly. The Group does not hold any collateral over these balances.

14 OTHER CURRENT FINANCIAL ASSETS/ PLEGGED DEPOSITS

Other current financial assets represent unlisted available-for-sale investments, which have been pledged as security for bank loans (see note 16).

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

15 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS HELD AT BANKS

	30 June 2013 RMB'000	31 December 2012 RMB'000
Deposits with banks within three months to maturity when placed	2,222,000	3,449,160
Cash at bank and in hand	1,449,554	558,375
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	3,671,554	4,007,535
Deposits with banks with more than three months to maturity when placed	1,332,670	980,000
	5,004,224	4,987,535

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

16 BANK LOANS

The bank loans as at 30 June 2013 were denominated in Hong Kong dollar and Renminbi, secured by certain available-for-sale investments (see note 14) and repayable within one year.

17 TRADE AND OTHER PAYABLES

	30 June 2013 RMB'000	31 December 2012 RMB'000
Trade payables	663,299	633,292
Receipts in advance from customers	92,149	35,009
Construction costs payables	11,799	31,665
VAT and other taxes payables	68,655	44,137
Accruals	893,426	927,815
Other payables	111,691	102,082
	1,841,019	1,774,000

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. An ageing analysis of the Group's trade payables is as follows:

	30 June 2013 RMB'000	31 December 2012 RMB'000
Within 3 months	565,053	541,995
3 months to 6 months	39,058	48,642
Over 6 months	59,188	42,655
	663,299	633,292

18 TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the condensed consolidated statement of financial position:

Current taxation in the condensed consolidated statement of financial position represents provision for PRC Corporate Income Tax.

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the condensed consolidated statement of financial position and the movements during the period are as follows:

Deferred tax arising from:	Dividends withholding tax RMB'000	Other deferred tax liabilities RMB'000	Other deferred tax assets RMB'000	Total RMB'000
As at 1 January 2012	132,284	-	(51,501)	80,783
Released upon distribution of dividends (note 6(iv))	(28,446)	-	-	(28,446)
Charges for the period (note 6)	42,097	-	(69,427)	(27,330)
As at 30 June 2012	145,935	-	(120,928)	25,007
As at 1 January 2013	166,883	-	(151,148)	15,735
Charges for the period (note 6)	19,301	6,812	208	26,321
As at 30 June 2013	186,184	6,812	(150,940)	42,056

(c) Deferred tax assets not recognised:

As at 30 June 2013, the Group's certain subsidiaries have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB109,155,000 (31 December 2012: RMB90,380,000) of which RMB20,747,000 (31 December 2012: RMB6,926,000) will expire within 5 years under the current tax legislation. The cumulative tax losses have not been recognised as a deferred tax asset 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.

18 TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(d) Deferred tax liabilities not recognised:

As at 30 June 2013, temporary differences relating to the undistributed profits of the Group's certain subsidiaries in Mainland China amounted to RMB2,907,393,000 (31 December 2012: RMB2,690,740,000). Deferred tax liabilities of RMB145,370,000 (31 December 2012: RMB134,537,000) have not been recognised in respect of the withholding tax that would be payable on the distribution of these retained profits, as the Company controls the dividend policy of these subsidiaries in Mainland China and the Directors have determined that these profits are not likely to be distributed in the foreseeable future.

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

For the six months ended 30 June 2013, no options that were issued pursuant to the Company's share option schemes (note 19(g) and 19(h)) were exercised (2012: Nil). 12,252,000 options (2012: 2,026,000) lapsed during the period. As at 30 June 2013, the total number of shares which may be issued upon the exercise of all options outstanding from the Company's Pre-IPO share option scheme and Share Option Scheme is 19,674,000 (31 December 2012: 31,926,000).

(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 Hong Kong 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, 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 paid-in 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 Mainland China.

(f) Share-based compensation reserve

Share-based compensation reserve represents the fair value of employee services in respect of share options granted to certain Directors and employees of the Group.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the period of the review with a corresponding adjustment to the share-based compensation reserve.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

19 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(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 Group 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 determined at 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 these options in cash.

(h) Share Option Scheme

The Company has also adopted a share option scheme ("the Share Option Scheme") pursuant to the shareholders' written resolution passed on 11 June 2007. Under the Share Option Scheme, the Directors are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at a consideration of HK\$1 to subscribe share of the Company.

The maximum number of shares that may be granted under the Share Option Scheme and other share option schemes shall not exceed 30% of the number of issued shares of the Company from time to time. No option may be granted to any person such that the total number of shares of the Company issued and to be issued upon exercise of all options granted and to be granted to each participant in any 12-month period up to the date of the latest grant exceeds 1% of the number of shares of the Company in issue.

(i) Dividends

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

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Interim dividend declared after the interim period of HK19 cents per ordinary share (2012: HK23 cents per ordinary share)	376,601	468,851

The interim dividend has not been recognised as a liability as at 30 June 2013.

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

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Final dividend in respect of the financial year ended 31 December 2012, approved and paid during the following period, of HK17 cents per ordinary share (2011: HK26 cents per ordinary share)	340,690	526,697
Special dividend in respect of the financial year ended 31 December 2012, approved and paid during the following period, of HK8 cents per ordinary share (2011: Nil)	160,325	–
	501,015	526,697

20 COMMITMENTS

(a) Operating leases

As at 30 June 2013, the total future minimum lease payments under non-cancellable operating leases in respect of properties are payable as follows:

	30 June	31 December
	2013	2012
	RMB'000	RMB'000
Within 1 year	71,911	55,646
After 1 year but within 5 years	37,106	43,310
	109,017	98,956

20 COMMITMENTS (Continued)

(b) Capital commitments

Capital commitments outstanding as at 30 June 2013 not provided for in the interim financial report are as follows:

	30 June 2013 RMB'000	31 December 2012 RMB'000
Contracted for	119,956	207,833
Authorised but not contracted for	76,630	104,161
	196,586	311,994

21 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with a related party

During the six months ended 30 June 2013, the Group purchased raw materials from Quanzhou Anda Packaging Co., Ltd (“Quanzhou Anda”) totalling RMB9,564,000 (2012: RMB9,463,000). The Directors are of the opinion that the related party transactions were conducted on normal commercial terms and in the ordinary course of business.

(b) Balance with a related party

As at 30 June 2013, trade balance due to Quanzhou Anda amounted to RMB3,074,000 (31 December 2012: RMB2,430,000). The amount due to Quanzhou Anda is unsecured, interest free and is 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 Company’s directors are as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Short-term employee benefits	5,714	5,724
Equity-settled share-based payments (note)	(2,557)	862
	3,157	6,586

The total remuneration is included in “staff costs” (see note 5).

Note: These represent the estimated value of share options granted to the key management personnel under the Company’s share option schemes. The value of these share options is measured according to the Group’s accounting policies for share-based payments and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous periods where grants of options are forfeited prior to vesting.

22 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period the Directors has recommended an interim dividend. Further details are disclosed in note 19(i).

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 June 2013, 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"):

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

Name of Directors	Company/Name of associated corporation	Capacity/Nature of interest	Number of Shares interested	Number of underlying Shares interested ⁽²⁾	Approximate percentage of interest in such corporation ⁽¹⁾
Mr. Ding Shizhong	Company	Founder of a discretionary trust	1,438,346,000 (L) ⁽³⁾	—	57.67%
	Anta International	Founder of a discretionary trust	4,144 (L) ⁽³⁾	—	41.44%
Mr. Ding Shijia	Company	Founder of a discretionary trust	1,432,900,000 (L) ⁽⁴⁾	—	57.45%
	Anta International	Founder of a discretionary trust	4,084 (L) ⁽⁴⁾	—	40.84%
Mr. Lai Shixian	Company	Interest of spouse	167,700,000 (L) ⁽⁵⁾	—	6.72%
	Company	Beneficial owner	—	5,250,000 (L)	0.21%
Mr. Wang Wenmo	Anta International	Founder of a discretionary trust	1,141 (L) ⁽⁶⁾	—	11.41%
Mr. Wu Yonghua	Anta International	Founder of a discretionary trust	601 (L) ⁽⁷⁾	—	6.01%
Mr. Zheng Jie	Company	Beneficial owner	300,000 (L)	—	0.01%
	Company	Beneficial owner	—	400,000 (L)	0.02%

(L) – Long Position

Notes:

- (1) As at 30 June 2013, the number of outstanding ordinary shares of the Company and of Anta International were 2,494,163,000 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 and the Share Option Scheme, details of which are set out in note 19(g) and 19(h) respectively to the interim financial report.
- (3) 1,431,900,000 Shares were held through Anta International, an associated corporation, representing 57.41% of the issued share capital of the Company as at 30 June 2013, and 6,446,000 Shares were held through Shine Well (Far East) Limited ("Shine Well") directly. Shine Well 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 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 and Shine Well and 4,144 shares of Anta International held by Shine Well.

- (4) 1,431,900,000 Shares were held through Anta International, representing held 57.41% of the issued share capital of the Company as at 30 June 2013, and 1,000,000 Shares were held through Talent Trend Investment Limited ("Talent Trend") directly. Talent Trend 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 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 and Talent Trend and 4,084 shares of Anta International held by Talent Trend.
- (5) The interests of Mr. Lai Shixian in the Company are held through Anda Holdings, which holds 167,700,000 Shares, representing 6.72% of the issued share capital of the Company as at 30 June 2013. 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.
- (6) The interests of Mr. Wang Wenmo in Anta International are held through Fair Billion Development Limited, which holds 1,141 shares of Anta International, representing 11.41% of the issued share capital of Anta International as at 30 June 2013. 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 1,141 shares of Anta International held by Fair Billion Development Limited.
- (7) The interests of Mr. Wu Yonghua in Anta International are held through Spread Wah International Limited, which holds 601 shares of Anta International, representing 6.01% of the issued share capital of Anta International as at 30 June 2013. The entire issued share capital of Spread Wah International Limited is held by Allbright 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 601 shares of Anta International held by Spread Wah International Limited.

Save as disclosed above, as at 30 June 2013, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interests and short positions of substantial shareholders

As at 30 June 2013, the persons or corporations (not being a Director or chief executive of the Company) who had an 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:

Interests in shares of the Company

Name of Shareholders	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of interest in the Company
HSBC Trustee	Trustee (other than a bare trustee) ⁽¹⁾	1,727,653,000 (L)	69.27%
Anta International	Beneficial owner	1,431,900,000 (L)	57.41%
Allwealth Assets Limited	Interest in controlled corporation ⁽¹⁾	1,432,900,000 (L)	57.45%
Shine Well	Interest in controlled corporation ⁽¹⁾	1,431,900,000 (L)	57.41%
	Beneficial owner ⁽¹⁾	6,446,000 (L)	0.26%
Talent Trend	Interest in controlled corporation ⁽¹⁾	1,431,900,000 (L)	57.41%
	Beneficial owner ⁽¹⁾	1,000,000 (L)	0.04%
Top Bright Assets Limited	Interest in controlled corporation ⁽¹⁾	1,438,346,000 (L)	57.67%
Anda Holdings	Beneficial owner	167,700,000 (L)	6.72%
Ms. Ding Yali	Founder of a discretionary trust ⁽²⁾	167,700,000 (L)	6.72%
	Interest of spouse ⁽³⁾	5,250,000 (L)	0.21%
Spring Star Assets Limited	Interest in controlled corporation ⁽²⁾	167,700,000 (L)	6.72%

(L) — Long Position

Notes:

- (1) The interests of HSBC Trustee in the Company are held through Anta International, Anda Holdings, Anda Investments, Shine Well and Talent Trend, representing approximately 57.41%, 6.72%, 4.83%, 0.26% and 0.04% of the issued share capital of the Company, respectively. In addition, HSBC Trustee also held 207,000 Shares of the Company as trustee for persons unrelated to the substantial shareholders of the Company.

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 and Talent Trend, respectively. Each of Shine Well and Talent Trend 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 1,431,900,000 Shares held by Anta International. Accordingly, HSBC Trustee, Top Bright Assets Limited, Allwealth Assets Limited, Shine Well and Talent Trend were indirectly interested in the 1,431,900,000 Shares held by Anta International. 6,446,000 Shares were held by Shine Well directly. Accordingly, HSBC Trustee and Top Bright Assets Limited were also deemed to be interested in the 6,446,000 Shares held by Shine Well. 1,000,000 Shares were held by Talent Trend directly. Accordingly, HSBC Trustee and Allwealth Assets Limited were also deemed to be interested in the 1,000,000 Shares held by Talent Trend.

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. Accordingly, HSBC Trustee and Spring Star Assets Limited were deemed to be interested in the 167,700,000 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. Accordingly, HSBC Trustee and Sackful Gold Limited were deemed to be interested in the 120,400,000 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 167,700,000 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 167,700,000 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, details of which are set out in note 19(g) to the interim financial report.*

Save as disclosed above, as at 30 June 2013, the Directors were not aware of any other person or corporation having an interest or short positions in the 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, transparency and accountability, earning the confidence of shareholders and the public. The Board strives to adhere 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.

Saved as disclosed below, the Company complied with the code provisions of the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Listing Rules during the period from 1 January 2013 to 30 June 2013. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

Under provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. During the financial period, the roles of the Chairman and the Chief Executive Officer of the Company are performed by Mr. Ding Shizhong. With Mr. Ding’s extensive experience in sportswear consumer markets, he is responsible for the overall strategic planning and business development of the Group. The Board considers that vesting both of the roles of Chairman and Chief Executive Officer with Mr. Ding 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 comprises experienced and high caliber individuals. The Board currently comprises 6 Executive Directors and 3 Independent Non-Executive Directors and therefore has a strong independence element in its composition.

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by 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 2013.

The Audit Committee is responsible for ensuring the establishment and compliance with the internal control system of the Company, the compliance with the applicable accounting principles and practices, any applicable laws and the listing rules of the stock exchange on which the shares of the Company are listed, and liaison among shareholders, management, certified independent auditors and internal auditors of the Group, etc. The Audit Committee meets regularly with the Company’s external auditors to discuss the audit process and accounting issues (and in the absence of management if appropriate). The terms of reference of the committee are in line with the provisions of the Code. 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 interim financial report of the Group for the six months ended 30 June 2013 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 2013.

GLOSSARY

Anda Holdings

Anda Holdings International Limited

Anda Investments

Anda Investments Capital Limited

ANTA

ANTA Brand

Anta International

Anta International Group Holdings Limited

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

Board

The Board of Directors of the Company

BVI

The British Virgin Islands

China/PRC

People's Republic of China

COC

Chinese Olympic Committee

CPI

Consumer Price Index

CSD

Chinese Sports Delegation

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

Fila Business in the PRC

Entire interest in Fila Marketing and its subsidiary and an 85% equity interest in Full Prospect and its subsidiaries

Fila PRC Trademarks

All trademarks bearing "FILA" brand registered in the Mainland China, Hong Kong and Macao

Fila Products

Sportswear products bearing the Fila PRC Trademarks

GDP

Gross Domestic Product

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/ HKEX

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 3 and 14

Listing Rules

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

MSCI

Morgan Stanley Capital International Global Standard Index

NBA

National Basketball Association

ODM

Original Design Manufacturer

OEM

Original Equipment Manufacturer

Period

6 months ended 30 June 2013

POP

Point of purchase advertising

POS

ANTA stores' point of sales

PPI

Producer Price Index for manufactured goods

R&D

Research and development

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

Sports Lifestyle series

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

TVC

Television Commercial

INVESTORS INFORMATION

Share Information

Listing Day: 10 July 2007
Board lot size: 1,000 shares
Numbers of shares in outstanding: 2,494,163,000 shares
(As at 30 June 2013)

Stock Codes

The Stock Exchange of Hong Kong 2020
Reuters 2020.HK
Bloomberg 2020HK
MSCI 3741301

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. We have established extensive distribution network with a leading presence in second and third tier cities in China under the management of regional distributors. We place great emphasis on branding by integrating sports resources and sponsorship, advertising and promotional activities and consistent store image to enhance brand and product differentiation. For the past 12 years, our footwear has been enjoying a leading position in China composed index on market share.

Dividends

HK cents	2009	2010	2011	2012	2013
Interim dividend	12	20	26	23	19
Final dividend	12	25	26	17	
Special dividend	11	-	-	8	

Important Dates

6 August 2013 Interim results announcement
21 August 2013 4:30 p.m. Record date of 2013 interim dividend
On or about 3 September 2013 Payment date of 2013 interim dividend
31 December 2013 Financial year end date of 2013

IR Contacts

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