



**ANTA
SPORTS
PRODUCTS
LIMITED**

Incorporated in the Cayman Islands with limited liability

Stock Code: 2020



Interim Report
2014
2014

Inside front

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**Chandler Parsons, a small
forward with the Dallas
Mavericks of the NBA**

CORPORATE INFORMATION

Board

Executive Directors

Ding Shizhong (Chairman) Ding Shijia (Deputy Chairman)

Lai Shixian Wang Wenmo Wu Yonghua Zheng Jie

Independent Non-Executive Directors

Yeung Chi Tat Lu Hong Te Dai Zhongchuan

Company Secretary

Ling Shing Ping *FCPA FCCA*

Board committees

Audit Committee

Yeung Chi Tat (Chairman) Lu Hong Te Dai Zhongchuan

Remuneration Committee

Lu Hong Te (Chairman) Dai Zhongchuan Ding Shizhong

Nomination Committee

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

Hong Kong Office

Unit 4408, 44th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong

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 Registrar

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, Wan Chai,
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 Corporation Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited



FINANCIAL OVERVIEW

Six months ended 30 June	2014	2013	Changes	As at 30 June	2014	2013	Changes
	(RMB million)	(RMB million)	(%)		(%)	(%)	(% point)
Turnover	4,121.9	3,366.5	↑ 22.4	Gearing ratio ⁽¹⁾	9.4	9.5	↓ 0.1
Gross profit	1,860.0	1,384.1	↑ 34.4	Return on average total shareholders' equity (annualised) ⁽²⁾	22.3	18.6	↑ 3.7
Profit from operations	986.1	736.3	↑ 33.9	Return on average total assets (annualised) ⁽³⁾	15.4	12.5	↑ 2.9
Profit attributable to equity shareholders	802.8	625.7	↑ 28.3	Average total shareholders' equity to average total assets	69.1	67.3	↑ 1.8
Free cash inflow	824.8	540.6	↑ 52.6				
	(RMB cents)	(RMB cents)	(%)		(in 181 days)	(in 181 days)	(days)
Earnings per share				Average inventory turnover days ⁽⁴⁾	59	58	↑ 1
– Basic	32.17	25.09	↑ 28.2	Average trade receivables turnover days ⁽⁵⁾	38	39	↓ 1
– Diluted	32.10	25.05	↑ 28.1	Average trade payables turnover days ⁽⁶⁾	69	59	↑ 10
Shareholders' equity per share	295.81	274.14	↑ 7.9				
	(HK cents)	(HK cents)	(%)				
Interim dividend per share	25	19	↑ 31.6				
	(%)	(%)	(% point)				
Gross profit margin	45.1	41.1	↑ 4.0				
Operating profit margin	23.9	21.9	↑ 2.0				
Margin of profit attributable to equity shareholders	19.5	18.6	↑ 0.9				
Effective tax rate	25.2	24.1	↑ 1.1				
Advertising and promotional expenses ratio (as a percentage of turnover)	10.8	9.9	↑ 0.9				
Staff costs ratio (as a percentage of turnover)	11.6	9.9	↑ 1.7				
R&D costs ratio (as a percentage of cost of sales)	4.2	4.1	↑ 0.1				

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.

Cautionary Statement Regarding Forward-Looking Statements

This Interim Report 2014 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".

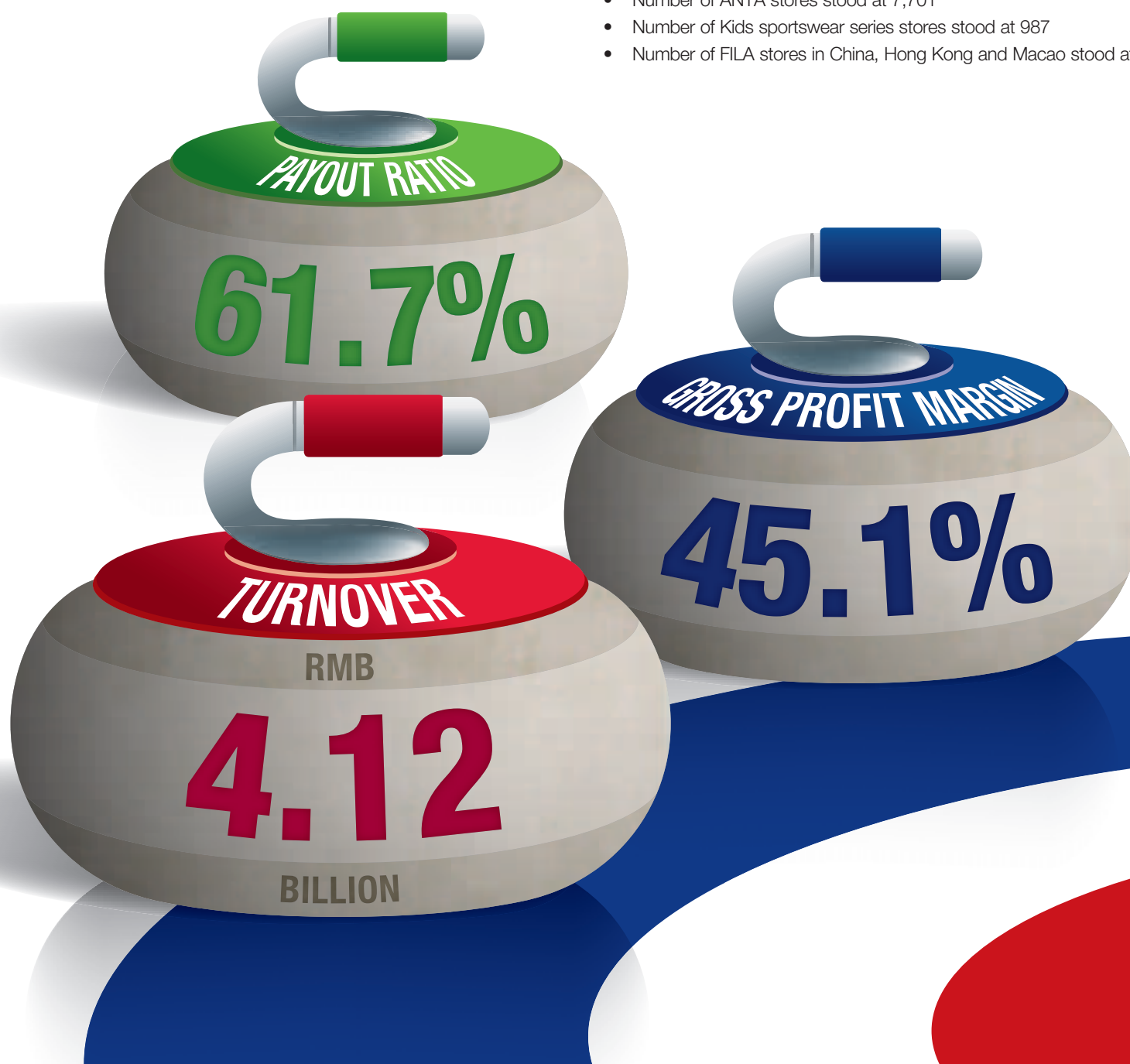
RESULTS HIGHLIGHTS

Financial Performance

- Turnover increased by 22.4% to RMB4.12 billion
- Gross profit margin increased by 4.0% points to 45.1%
- Profit attributable to equity shareholders increased by 28.3% to RMB802.8 million
- Basic earnings per share increased by 28.2% to RMB32.17 cents
- 61.7% payout of the profit attributable to equity shareholders

Operational Performance

- Number of ANTA stores stood at 7,701
- Number of Kids sportswear series stores stood at 987
- Number of FILA stores in China, Hong Kong and Macao stood at 441



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 2014.

We Picked up Growth Momentum and Delivered Sustainable Results

Facing uncertainties and intense competition in China's sportswear industry, we have further enhanced product differentiation and implemented retail-oriented measures aimed at offering innovative products that fully match consumer demand, thereby minimising retailers' inventory risks and improving their profitability. Our turnover increased by 22.4% to RMB4.12 billion during the period (2013 1H: RMB3.37 billion), not only due to the growing demand for our differentiated value-for-money products, but also due to notable growth in other businesses, particularly in the Kids, Fila and e-commerce businesses. Profit attributable to equity shareholders also rose by 28.3% to RMB802.8 million (2013 1H: RMB625.7 million), with basic earnings per share amounting to RMB32.17 cents (2013 1H: RMB25.09 cents). To provide attractive returns to our shareholders, the Board proposed an interim dividend of HK25 cents per ordinary share (2013 interim dividend: HK19 cents), representing a payout ratio of 61.7% of profit attributable to equity shareholders during the period (2013 1H: 60.3%).

We Adopted a Focused Marketing Strategy to Enhance Brand Equity

We have consistently positioned ANTA as a functional sportswear brand that focuses on the mass market and we have always enriched and leveraged our unique sports resources to differentiate ANTA from its peers. During the period, we put forth our best efforts to reinforce our influence and leading position in China's basketball market by adding Chandler Parsons, a rising NBA player to our star-studded team of "Basketball is Priceless" endorsers. Together with Rajon Rondo, Kevin Garnett and Luis Scola, these four NBA players endorse and promote our professional, high functionality, yet affordable basketball products. As an official partner of the COC, we tailor-made the winning outfits for the CSD to the Sochi Winter Olympics. This impressive winning outfit consistently appeared under the spotlight during the Sochi Winter Olympics, not only demonstrating our bold breakthroughs in fashion design and technological innovation, but also further deepening our brand image as representing China's sports essence and boosting Chinese consumers' sense of pride in their national brand.

We Develop and Refine Value-for-Money Sportswear to Serve Consumers

Innovation is one of the keys to our success. Our strong capacity for innovation continues to bring us greater differentiation and helps us extend our leading position in China's sportswear market.



During the period, we launched revolutionary brand new running shoes featuring A-Web 2.0 technology with cutting-edge technologies applied to both the vamp and sole. The A-Web 2.0 technology featured in the vamp employs the most popular knitting technology used today, enhancing breathability and providing wearers a better fit and a more comfortable wearing experience. In addition, the sole adopts the innovative A-Loop technology, which provides greater comfort, springiness, energy return as well as sustainability in support for different runners' body forms. Adhering to the principle of providing value-for-money of ANTA products, we have priced our running shoes featuring A-Web 2.0 technology and our premium basketball shoes specially designed for our endorsed NBA players at only RMB399. Due to our strong product differentiation and effective pricing strategy, we have been named the top seller of travel and sports shoes in China in terms of market share for the 13th consecutive year.

We Optimise Retail-oriented Measures to Improve the Profitability of Our Retailers

We have always strived to help our retailers stay competitive and to improve their profitability by taking comprehensive retail-oriented measures since the onset of the industry downturn. In addition to implementing a streamlined distribution structure, monitoring retail sales performance and managing in-store inventory, we have engaged in thorough analysis of real-time data gathered from our ERP system and provided our retailers more precise guidelines at trade fairs according to the most up-to-date market trends. Meanwhile,

we have further strengthened our product differentiation and optimised the flexibility and efficiency of replenishment so as to satisfy the unforeseeable demand for our in-season signature products. Furthermore, we have continued to enhance store efficiency and maintain a strong presence in second- and third-tier cities across China. We believe these measures not only help minimise our retailers' inventory risks, but also improve their operational performance as well as their confidence in our future order planning, consumer demand forecasting and replenishment arrangements.

We Outperform through Stronger Execution and Operational Capabilities

China's sportswear industry is generally expected to still face uncertainty arising from the lack of product differentiation and intense competition in the near-term. Nevertheless, we have made good progress in our retail-oriented measures and have seen continuous, positive growth in our trade fair results as a result of our retailers' stronger confidence in our brand and products. Meanwhile, an expansion in domestic demand, urbanisation and the growing popularity of sports are favourable factors spurring China's sportswear market in the mid-to-long term. The ongoing industry consolidation also helps well-established brands gain market share from weaker competitors. To capture the growing demand for functional sportswear and to stand out among our peers, we will leverage the influence of our unique sponsorship resources – including the COC, Chinese national teams and renowned athletes, as well as our star-studded lineup of

NBA endorsers – to strengthen our brand equity and recognition. More innovative technologies and differentiated value-for-money products that fit consumer preferences and needs will be launched to bolster sales and to maximise profitability for us and our retailers. We will also analyse retail data, market trends and consumer demand through our sophisticated ERP system so as to formulate precise ordering, replenishment and store opening plans for our retailers, which will help them effectively prevent excess inventory. In addition to our core business of ANTA performance-based series, we will strategically expand our Kids sportswear series, e-commerce business and Fila business in the PRC to capture the growing demand in various market segments.

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



Ding Shizhong
Chairman

Hong Kong, 6 August 2014



冠軍的心 永不止步

**KEEPING CHAMPION'S
SPIRIT ALIVE**

**Zhang Hong, champion in women's 1,000M
speed skating at the Sochi Winter Olympics**

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

China's Economy Maintained Solid and Steady Growth

To minimise the impact of slow economic recovery across the globe, the Chinese government is generally believed to have continued to implement economic reforms and considered to have adopted a new urbanisation plan and to have loosened its one-child policy. China maintained steady GDP growth in the first half of 2014, while the ongoing expansion in domestic demand drove an increase in total retail sales of consumer goods. Per capita annual disposable income of urban residents also continued to rise as a result of the implementation of policies aimed at narrowing the income gap, improving livelihoods and spurring consumption.

The Chinese government is generally believed to have implemented policies aimed at stabilising inflation while maintaining momentum in economic growth. China's CPI grew at a relatively mild pace in the first half of 2014. However, the ongoing decline in PPI has raised concerns among general public about China's economic outlook. To minimise the risk of a hard landing, Chinese policymakers are generally believed to have engaged in more effective

measures targeting to drive the country's economy with a healthier, more sustainable growth model based on domestic consumption rather than on investment and exports in the long-term.

Stronger Sportswear Brands Gain Advantage amid Industry Consolidation

China's sportswear industry as a whole has been facing problems associated with low barriers of entry, lack of brand identity and product differentiation, over-expansion of stores and poor inventory management over the past few years. While industry players are striving for revival by controlling future orders, closing stores with lower efficiency, launching well-received products, reforming retail channels and improving operations, the recovery is proceeding at a varying pace across different brands depending on their fundamentals, competitiveness as well as innovation and execution capabilities.

Nevertheless, stronger sportswear brands are generally expected to outperform their peers and to achieve sustainable growth by leveraging their core strengths, including effective brand positioning and marketing strategies, sound management of distribution networks, sophisticated retail

monitoring systems, cost-efficient and responsive supply chains, strong R&D capabilities and highly differentiated products.

The ongoing urbanisation, improving livelihoods and growing popularity of sports in China is also boosting consumer demand for sportswear with better functions, quality and designs. Therefore, sportswear brands that are more recognised, more responsive to market trends and more capable of delivering value-for-money and innovative products to consumers are expected to gain market share amid industry consolidation in the longer term.



CHINA'S ECONOMIC DATA

National Income	GDP	RMB26,904.4 billion	YoY ↑ 7.4%
Urban Residents' Income	Per capita annual disposable income	RMB14,959	YoY ↑ 7.1%*
Consumption	Total retail sales of consumer goods	RMB12,419.9 billion	YoY ↑ 12.1%
	Clothing sector (including sports footwear and apparel)	RMB588.6 billion	YoY ↑ 10.0%
Inflation	CPI	102.3 (2013 1H=100)	YoY ↑ 2.3%
	PPI	98.2 (2013 1H=100)	YoY ↓ 1.8%

* Actual growth after deducting price factors

Source: National Bureau of Statistics of China (as at 30 June 2014)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

BRAND MANAGEMENT

Our focused and effective brand management strategy is one of the key factors driving our long-term sustainability. Over the years, ANTA has established a functional sportswear image with a specific focus on the mass market. In order to sustain our leading brand recognition and desirability in China, we continue to integrate our influential sponsorship resources with innovative promotional channels to reinforce our differentiated brand image and level of brand association. Moreover, we utilise popular digital social networks and broadcast media to enhance our reach in a cost-effective manner. Meanwhile, we also enhance our in-store marketing by encouraging our retailers to follow our sixth-generation store image standard so as to attract consumers with a refreshing shopping experience.



ANTA Representing China's Sports Essence

Since 2009, we have been working closely with the COC and the CSD to provide quality winning outfits for top Chinese athletes competing at influential sporting events. At the 22nd Winter Olympic Games in Sochi, Russia, CSD athletes were again in the spotlight as they stood on the podium to receive their honours wearing our designated ANTA Champion Dragon Outfit. The ANTA Champion Dragon Outfit not only incorporates the concepts of Chinese traditional culture, but also demonstrates bold breakthroughs in fashion design and technological innovation. We also took this opportunity to promote the development of the sports industry in China and our differentiated brand image. To strengthen the association between our brand and the COC, we launched a comprehensive marketing campaign to integrate sponsorship resources with various media channels such as TVCs, WeChat and Weibo, etc. This has greatly enhanced ANTA's brand exposure, further solidifies ANTA's image of representing China's sports essence and boosts Chinese consumers' sense of pride in the national brand.

Apart from our strategic partnership with the COC and the CSD, we also cooperated with 16 Chinese national teams and a number of elite national athletes. During the period, we provided professional and quality sportswear outfits to the national teams from the Water Sports Management Centre, the Winter Sports Management Centre and the Boxing and Taekwondo Sports Management Centre. Furthermore, two-time Olympic boxing gold medalist Zou Shiming and active Chinese table tennis champions Zhang Jike and Liu Shiwen also joined us in speeding up the development of sports in China and promoting our differentiated products, achieving a win-win marketing outcome.

ANTA as a Functional and Mass Market Brand

Consumers demand performance-based products with a clear brand image and that are good value-for-money. To capitalise on this trend, we strive to enhance our functional image by leveraging our exclusive and influential sports sponsorships, particularly in the basketball, running and cross-training segments. During the period, we struck a deal with Chandler Parsons, a rising NBA star and starting small forward, which complement our deals with NBA players Kevin Garnett, Luis Scola and Rajon Rondo to form the most solid of basketball resources. The addition of Chandler Parsons to our endorsement portfolio not only strengthens our new "Basketball is Priceless" marketing strategy, but also cements ANTA's leading position in China's basketball market. Adhering to the promotion of our "Basketball is Priceless" strategy, the designated NBA players' basketball shoes for all endorsers have been positioned as "National Basketball Shoes", featuring selling prices of only RMB399. The all-rounded marketing campaign has stimulated the sales performance of the entire basketball series, and has also consolidated our professional image in the mass segment.

During the period, we further integrated different media channels with our signature running products to enhance our influence in the running segment in the mass market. We launched an interactive marketing campaign to highlight the technological value of our new A-Web 2.0 running shoe, and more importantly, to educate the public of the significance of choosing the right running shoe to offer maximum protection and functions that meet their particular



needs. Furthermore, we sponsored the Olympic Day Run for the sixth consecutive year to promote the joy of running. To maximise the effects of our marketing efforts and to make a bigger contribution to the community, we integrated the Olympic Day Run and online marketing by launching a nationwide Olympic Day Run charity campaign which was hailed by thousands of runners.



DISTRIBUTION NETWORK MANAGEMENT

Retail-oriented Strategy

Our well-defined retail-oriented strategy successfully improved our retailers' competitiveness, responsiveness to the fast-changing market and store efficiency. During the period, we further cooperated with retailers and optimised our retail-oriented strategy to capture market opportunities. Details of our strategy are as follows:

1. Build Retail-oriented Mindset and Appraisal System

We believe that the most effective approach to retail channel management is to consider ourselves a retail company. Therefore, we emphasise retail efficiency in our corporate culture and values, and have established a consumer-oriented retail management and appraisal system to measure our performance according to retail operating data.

2. Share Retail Data and Market Trends with Suppliers and Retailers

Effective communication contributes to the success of our retail-oriented strategy. From the product planning stage, we work closely with retailers to gather customer feedback in order to develop products that are truly welcomed by the mass market. Analysis of and feedback on product sales performance gathered by our real-time monitoring system are shared with our retailers on a regular basis. This timely market information and retail data also enable us to stay abreast of consumer demand and to formulate more accurate product development plans, ordering guidelines and replenishment forecasts for retailers.

3. Provide Precise Order Guidelines to Retailers to Prevent Inventory Pile-up

Healthy inventory levels can prevent deep retail discounts and stabilise retailers' profitability and sustainability. Therefore, we provide precise order guidelines on a per store basis so as to

MANAGEMENT DISCUSSION AND ANALYSIS

allow greater accuracy in orders and to stabilise in-store inventory levels. We also encourage our retailers to be flexible in taking replenishment orders so as to reduce their inventory risks and to capture market potential. Meanwhile, our well-managed clearance channels – including factory outlets, discount stores and e-commerce platforms – enable our retailers to reduce inventory pressure at a faster pace.

4. Strictly Require Retailers to Comply with Our Retail Related Policies

Apart from regular training on inventory management and product knowledge, we thoroughly examine our retailers' store opening plans and strictly require them to follow our retail policies so as to strengthen their competitiveness and profitability. Furthermore, we insist on projecting a consistent store image across our nationwide distribution network and the standardisation of product display equipment and POP materials which highlight quarterly marketing themes. Therefore, we continued to encourage retailers to upgrade their store layouts in line with our sixth-generation store image during the period.

5. Optimise Retailers' Operating Performance and Store Efficiency

We have adopted flattened sales management and have streamlined our already lean and effective distribution structure so as to facilitate better interaction with retailers. Through our comprehensive monitoring system – which includes a real-time ERP system, weekly reports submitted by POS and frequent channel checks by our sales people – we are able to closely monitor retailers' performance and carry out immediate measures to help improve the operational efficiency of their stores.

6. Our Brand Reaches Ultimate Customers through Nationwide Distribution Network

An attractive store image and a pleasant shopping experience also play a key role in enhancing retail efficiency and boosting customer traffic. The eye-catching layouts at our flagship stores in prime locations and the sixth-generation store layout help showcase our distinctive and unified brand image. Store decor and promotional materials such as in-store posters are provided to retail stores to highlight the marketing theme and the products of the season. We also further optimised our "COC Corners" and "Grand Basketball Corners" at key stores to put our special product series in the spotlight.

7. Formulate Optimal Store Opening Plans with Retailers Based on Actual Market Conditions

We believe that the sustainability of a distribution network is mainly driven by store quality, including aspects such as location, size, store layout, etc., rather than on the number of stores. Therefore, we strategically optimised all forms of our retailers' stores by enhancing store efficiency and profitability in the ever-changing market during the period. The number of ANTA stores as at 30 June 2014 stood at 7,701 (end of 2013: 7,757). As at 30 June 2014, the number of Kids sportswear series stores stood at 987 (end of 2013: 881).

E-commerce Business

Seeing the tremendous demand for online shopping, we launched our e-commerce business in 2009. Since then, we have been operating our official online flagship store (Anta.cn), and have

cooperated with popular e-commerce platforms such as Tmall.com, JD.com, Vip.com and Amazon.cn. We also allow some established online retailers to sell ANTA products under our guidance and strict control. Our e-commerce business is no longer a channel for clearance of ageing inventory, but instead serves as a new, interactive platform that generates additional sales by promoting our brand and our innovative and value-for-money products to both online and offline shoppers. Meanwhile, we are devoted to improving our webstore interface, offering broader product variety, optimising logistical efficiency and after-sales services to satisfy online shoppers' needs. We have expanded the portfolio for designated online products, which can only be found in e-commerce channels so as to prevent product cannibalisation and to create synergy between our online and offline channels.

Overseas Markets

To drive our future growth, we have selectively intensified our penetration into the international market. Our overseas retailers operate ANTA stores and concessionary counters in Southeast Asia, Eastern Europe and Middle East. During the period, we further expanded our presence in emerging





markets to capture the market opportunities and to sustain our business growth. In addition, we continue to leverage our exclusive sponsorship resources, renowned endorsers and eye-catching advertising campaigns to enhance our international exposure and to improve sales performance in overseas markets.

SUPPLY CHAIN MANAGEMENT

In addition to maximising the differentiation of our value-for-money sportswear products, we also enhance the effectiveness of our supply chain to drive long-term sustainability. Given our retail-oriented strategy, we continue to emphasise the importance of product innovation, responsiveness in our supply chain, and cost and quality controls. During the period, we further optimised our R&D and supply chain capabilities to bring us greater product differentiation. We were named the top seller of travel and sports shoes in the “2013 China Retail Consumption Statistical Analysis” conducted by the China General Chamber of Commerce and the China National Commercial Information Centre for the 13th consecutive year, which underscores our leading position in the industry.

Product Innovation

Technological invention and cutting-edge design are the most powerful weapons for improving product differentiation. We regularly upgrade our signature technologies such as A-Jelly, A-Silo, A-Cool and A-Proofrain to maximise the value of our diverse range of products. During the period, we introduced over 900, 900 and 760 new styles to our footwear, apparel and accessories portfolios, respectively, to cater to both professional and casual users. To fulfill the different needs of our more sophisticated consumers, we launched a new A-Web 2.0 running shoe during the period. The launch of the revolutionary A-Web 2.0 running shoe integrating enhanced A-Web 2.0 technology with the new A-Loop technology is poised to become a landmark in the history of ANTA's running shoe lineup. The A-Web 2.0 technology featured in the vamp applies the most modern and popular knitting technology: a single body to prevent unnecessary patches and stitches. This not only improves cost efficiency in the production process, but also provides a better fit and wearing experience by holding the foot tightly inside the shoe. The sole adopts the innovative A-Loop technology inspired by the double layer structure of a car chassis. A-Loop technology provides the advantage of

suiting a variety of runners' body forms. Slim runners are able to feel the outsole periphery of the rebound effect, while for overweight runners, the peripheral outsole's hollow cylinders adjust to the different body weight to allow the middle part of the outsole to partially touch the ground, giving them additional support. The bottom of the running shoe also adopts durable and slip-resistant rubber which helps runners avoid slipping while running. With a selling price of only RMB399, the A-Web 2.0 running shoe has received an overwhelming response since its launch in Q2 this year.

Quality Control

Our retail-oriented strategy not only aims to enhance controls over our retail channels, but to also develop products that are truly welcomed by consumers. Therefore, offering comfortable and protective products to consumers has always been our top priority for us to gain market share. We continue to enhance our quality control capabilities throughout the entire manufacturing process at both of our own factories and in our suppliers' production facilities. We have also adopted ISO international testing standards to ensure that the quality of all products complies with international standards.



透气
呼吸

LET RUNNERS' FEET
BREATHE FREELY

透气
呼吸

Zhang Jike (right) and Liu
Shiwen (left), table tennis
world champions

Supply Chain and Operational Management

An effective and responsive supply chain is an important factor to outperform the market. Our cohesive relationships with quality OEM and ODM, as well as our solid in-house production capabilities, grant us extra flexibility to meet unforeseeable demand in a timely and cost-effective manner. To allow better visibility on consumer demand, we have further strengthened our supply chain so as to shorten the production lead time. Furthermore, we fully support our supply chain partners to enhance their quality controls and workflow efficiency and to improve their responsiveness to market changes.

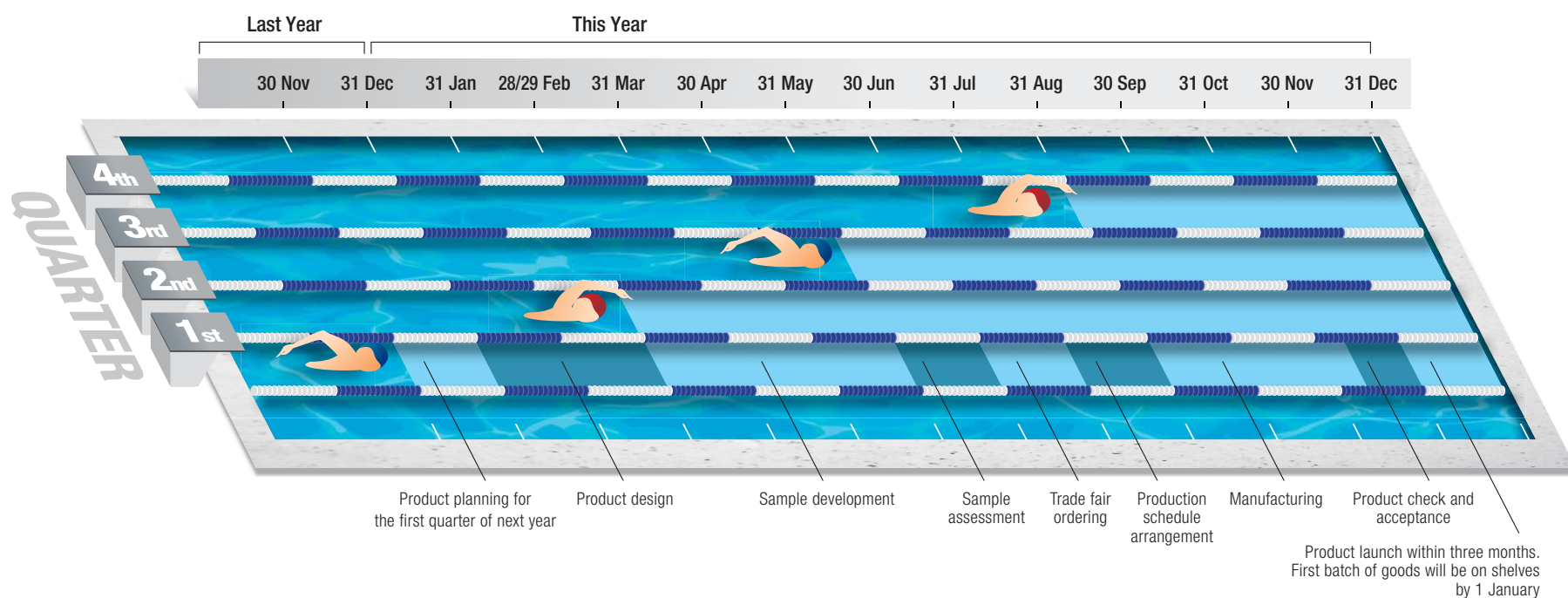


Production Capabilities

Our strategic mix of in-house and outsourced production allows us to better respond to market conditions and changes in consumer preferences. In order to enhance our flexibility in replenishment

and to maintain cost-leadership, we have further enhanced our production efficiency. For the period, the respective proportions of self-produced footwear and apparel and procured footwear and apparel were 54.3% and 15.9%, respectively (20131H: 52.4% and 16.1%).

Cycle of Product Design, Production and Delivery



悠藍之夢

SANTORINI BLUE

FILA BUSINESS IN THE PRC

FILA is a well-known global sportswear brand that targets the high-end market segment. Since acquiring the Fila business in the PRC in 2009, we have integrated our R&D capabilities and design talents, experienced retailers and supply chain partners, as well as FILA's worldwide marketing resources, to help us tap the promising potential in the high-end sportswear market. During the period, we spared no effort in strengthening our presence by progressively opening stores at key locations in major cities in the PRC. As at the end of June 2014, there were 441 FILA stores operating in China, Hong Kong and Macao (end of 2013: 416). We also fostered the quality of store decor and product displays to drive in-store traffic, bolster sales and enhance store efficiency so as to maximise the profitability of the Fila business in the PRC.

Shu Qi (left) and Lee Min Ho (right), FILA's ambassadors in the PRC





FILA

In addition to optimising our distribution network and retail management, we are dedicated to raising awareness of FILA and deepening FILA's impact on the young elite segment in the PRC. In February 2014, a large-scale FILA event was held in Shanghai to announce that popular Korean star actor Lee Min Ho has officially become a FILA ambassador. He appeared at the event to witness the launch of the brand new Anna Sui for FILA collection. This is an unprecedented cross-border cooperation between FILA and world-renowned ethnic Chinese fashion designer Anna Sui. FILA's trendy lifestyle brand image, the Anna Sui for FILA collection's stylish products and the "Santorini Blue"-themed 2014 Spring/Summer collection are fully demonstrated to our target consumers through impressive POPs featuring Shu Qi, another FILA ambassador. In addition to being an Official Sports Uniform Sponsor for the Hong Kong, China Delegation, FILA is also the Official Apparel Sponsor for the Hong Kong Table Tennis Association and the Official Sponsor for 2014 World Ladies Championship. More importantly, FILA tailor-made uniforms for the CCTV sports channel reporters at the 2014 FIFA World Cup, enabling the heritage and uniqueness of FILA products to capture the attention of yet more consumers at major international sporting events.

MANAGEMENT DISCUSSION AND ANALYSIS

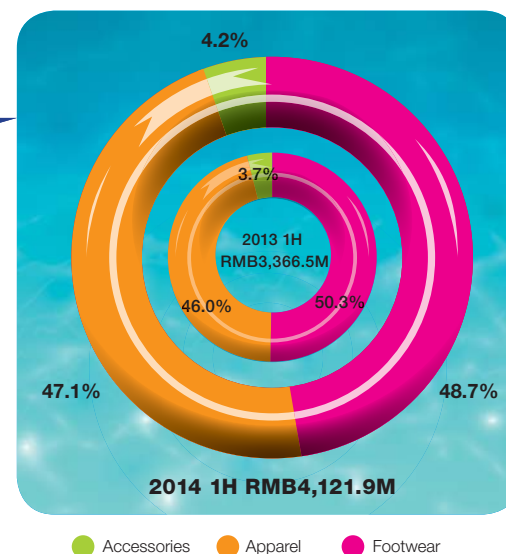
FINANCIAL REVIEW

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					
	2014		2013		Changes (%)
	(RMB million)	(% of turnover)	(RMB million)	(% of turnover)	
Footwear	2,009.5	48.7	1,691.8	50.3	↑ 18.8
Apparel	1,939.4	47.1	1,548.7	46.0	↑ 25.2
Accessories	173.0	4.2	126.0	3.7	↑ 37.3
Overall	4,121.9	100.0	3,366.5	100.0	↑ 22.4

During the financial period, the Group's turnover increased by 22.4% which is higher than the growth rate of the order value of 2014 first half trade fairs for ANTA products as announced before because the growth rates of Kids sportswear series, FILA branded products and sales through e-commerce are also promising.



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					
	2014		2013		Changes (% points)
	Gross profit (RMB million)	Gross profit margin (%)	Gross profit (RMB million)	Gross profit margin (%)	
Footwear	944.6	47.0	721.1	42.6	↑ 4.4
Apparel	850.1	43.8	620.1	40.0	↑ 3.8
Accessories	65.3	37.7	42.9	34.0	↑ 3.7
Overall	1,860.0	45.1	1,384.1	41.1	↑ 4.0

Amid the successful retail-oriented strategy, the Group's overall gross profit margin for the financial period has greatly improved as compared with the same period of 2013 because of reducing incentives to the distributors for clearing their inventories and reversal of write-down of inventories previously provided.

Other Revenue

Other revenue for the financial period mainly represented government grants of RMB32.6 million (2013: RMB20.1 million).

Operating Expenses Ratios

The ratio of advertising and promotional expenses to turnover has increased by 0.9% point for the financial period due to increase in sponsorship activities. The ratio of staff costs to turnover has increased by 1.7% point mainly due to increase in operating activities. The ratio of R&D costs to cost of sales has increased by 0.1% point mainly due to increase in R&D spending.

Operating Expenses Ratios



Operating Profit Margin

Operating profit margin increased by 2.0% point which was less than the 4.0% point increase in the gross profit margin for the financial period, which was mainly due to the increase in selling and distribution expenses.

Net Finance Income

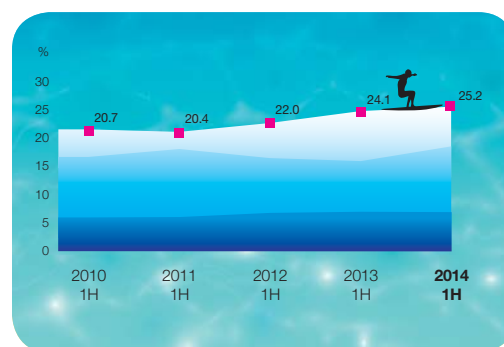
The increase in interest income was mainly due to placement of longer tenor deposits with higher interest rates during the financial period.

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

Effective Tax Rate

Effective tax rate increased from 24.1% for the first half of 2013 to 25.2%, mainly because certain subsidiaries in the PRC which were making losses in the first half of 2013 recorded taxable profits in the first half of 2014.

Effective Tax Rate



Margin of Profit Attributable to Equity Shareholders

Margin of profit attributable to equity shareholders increased by 0.9% point for the financial period which was due to the 2.0% point increase in operating profit margin and the increase in the net finance income, partially offset by the increase in the effective tax rate.

Write-down of Inventories

For the financial period, the reversal of write-down of inventories credited to profit or loss was RMB31.8 million (2013: write-down of inventories charged to profit or loss of RMB6.4 million). This reflects the Group has strived to clearing slow-moving inventories and the market responded positively on the selling prices in the first half of 2014.

Provision for Doubtful Debts

For the financial period, the reversal of provision for doubtful debts credited to profit or loss was RMB28.0 million (2013: provision for doubtful debts charged to profit or loss of RMB28.3 million).

Dividends

The Board has recommended an interim dividend of HK25 cents per ordinary share in respect of the financial period, representing a payout of RMB495.0 million (2013: RMB377.3 million), or a distribution of 61.7% (2013: 60.3%) of the current period's profit attributable to equity shareholders.

Liquidity and Financial Resources

As at 30 June 2014, the cash and cash equivalents of the Group amounted to RMB4,401.4 million, representing an increase of RMB57.1 million as compared with the cash and cash equivalents of RMB4,344.3 million as at 31 December 2013. The net cash and cash equivalents (including fixed deposits held at banks with maturity over three months, pledged deposits and other current financial assets, minus bank loans) was RMB5,298.6 million as at 30 June 2014 (as at 31 December 2013: RMB5,074.5 million). This is mainly attributable to:

- Net cash inflows from operating activities amounted to RMB983.0 million, which was higher than the profit attributable to equity shareholders, representing effective cash generating process.
- Net cash outflows from investing activities amounted to RMB858.2 million, mainly including capital expenditures amounting to RMB160.9 million, net amount of placement of fixed deposits held at banks with maturity over three months of RMB675.0 million and net increase in other financial assets amounting to RMB25.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

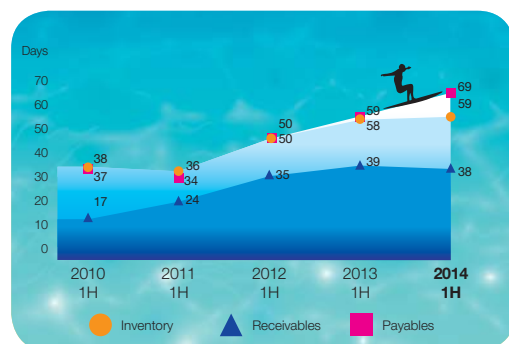
- Net cash outflows from financing activities amounted to RMB67.3 million, which represented the payment of the final and special dividends in respect of the financial year 2013 and the payment of interest expense of bank loans, offsetting with the new drawdowns of bank loans.

As at 30 June 2014, total assets of the Group were RMB10,909.2 million of which current assets were RMB8,877.9 million. Total liabilities and non-controlling interests were RMB3,526.6 million and total equity attributable to equity shareholders of the Company amounted to RMB7,382.6 million. The Group's gearing ratio was 9.4% as at 30 June 2014 (as at 31 December 2013: 4.8%), being a ratio of bank loans of RMB1,023.2 million (as at 31 December 2013: RMB490.2 million) to total assets. Such bank loans were denominated in Hong Kong dollar.

Assets/Liabilities Turnover Ratios

The average inventory turnover days slightly increased by 1 day. The average trade receivables turnover days slightly decreased by 1 day. The average trade payables turnover days increased by 10 days, mainly due to better cash management.

Assets/Liabilities Turnover Days



Six months ended 30 June		
	2014 (RMB million)	2013 (RMB million)
Operating cash inflow	983.0	646.4
Capital expenditures	(160.9)	(111.9)
Others	2.7	6.1
Free cash inflow	824.8	540.6
Cash and bank balances and fixed deposits held at banks with maturity over three months (including pledged deposits)	5,786.8	5,019.0
Other current financial assets	535.0	1,010.0
Bank loans	(1,023.2)	(967.4)
Net cash and cash equivalents as at 30 June	5,298.6	5,061.6

Pledge of Assets

As at 30 June 2014, the Group had bank deposits of RMB215.5 million (as at 31 December 2013: an unlisted available-for-sale investment amounting to RMB510.0 million and bank deposits amounting to RMB215.5 million) pledged to secure bankers' documentary credits for certain construction projects and contracts.

Capital Commitments and Contingencies

As at 30 June 2014, the Group had capital commitments of RMB254.6 million, primarily relating to the maintenance of information management systems and the expansion of in-house production facilities.

As at 30 June 2014, 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

Mismanagement of inventory, lack of product differentiation and intense competition are generally expected to bring uncertainty to China's sportswear industry in the short-term. However, our strong fundamentals and effective retail-oriented measures make us capable of outperforming our peers and delivering sustainable growth and profitability. Moreover, it is generally believed that the ongoing urbanisation process, the improvement in livelihoods and the popularisation of sports in China will further drive demand for affordable sportswear with good features. Therefore, we will leverage our core strengths to maintain our leading position in various market segments and tap the market potential in the long run.

Strengthening Our Brand with Effective Marketing Strategy

We have always focused on effectiveness and the synergy between our diverse sports resources and our branding strategies. Our continuing long-term partnership with the COC demonstrates the long standing trust and recognition of our brand and products by Chinese officials and China's champion athletes. To further differentiate our brand among our peers, we will make every effort to provide a full range of high-quality outfits to the CSD and our numerous sponsored China national teams, including the gymnastics team, which has always been a strong contender for gold medals and a symbol of China's pride in sports. ANTA's unique image of representing the essence of China's sports will be further rooted in consumers through all forms of marketing platforms such as digital media and social networking websites during the Incheon Asian Games, one of the most notable sporting events in 2014. Furthermore, we will leverage our "Basketball is Priceless" team's strong influence and popularity to enhance customer loyalty to ANTA and to boost sales of ANTA's value-for-money

premium basketball products. Our basketball endorsers will also meet Chinese fans and stir up a stronger basketball craze in China.

Optimising Retail-oriented Measures to Stay Competitive

In order to maintain a sustainable distribution network, we will continue to implement retail-oriented measures to help our retailers improve their retail performance, maximise their profitability, enhance their store efficiency and manage their orders and in-store inventory. Our solid presence at prime locations in high-potential cities in China brings us more opportunities to gain market share. We expect that there will be total of between 7,700 to 7,800 ANTA stores, 1,000 to 1,100 Kids sportswear series stores and 450 to 500 FILA stores in the PRC by the end of 2014. In view of the rapid growth of online shopping, we will roll out more new and unique products on our ever-expanding e-commerce platforms. We also plan to allow offline distributors to operate online stores with an aim to maximise mutual benefits between web-based and brick-and-mortar stores.

Enhancing Product Differentiation through Continuous Innovation

We always make the best use of our R&D resources and regularly develop unprecedented functional technologies to enhance our customers' athletic performance and to cater to their specific needs. We will continue to provide comfort and foot protection for adults and kids by integrating our advanced technologies such as the newly launched A-Web 2.0 and A-Loop into our value-for-money footwear products. Moreover, all forms of apparel technologies and high performance fabrics for different sports and weather conditions are applied to our diverse range of apparel products. In addition, more eye-catching FILA collections will be launched through cross-border cooperation with

Anna Sui, highly-effective publicity campaigns and in-store POPs featuring our brand ambassadors Shu Qi and Lee Min Ho to showcase FILA's unique brand image and trendy lifestyle to high-end consumers.

Achieving Sustainability through the Optimisation of Operations

Our advanced ERP system enables us to monitor our retailers' performance and to manage their in-store inventory more effectively. The extensive ERP system coverage in our retail channels not only gives us better insight into consumer demand and preferences, but also enables us to develop products that are in line with the latest market trends and to formulate the most accurate ordering guides and replenishment forecasts for our retailers. In addition, our cost and quality controls, execution capabilities and production techniques will be strengthened, allowing us to meet potential demand with our cost-competitive and market-responsive supply chains.



CORPORATE SOCIAL RESPONSIBILITY REPORT

❶ “Sport-All for All” Charity Project Held in Bird’s Nest

In January 2014, we organised “Charity Services by Olympic Athletes” and the “ANTA Sport-All for All – Visiting Bird’s Nest” activity in which we brought nearly one hundred orphans and children of migrant workers to the National Stadium, also known as the Bird’s Nest. Through interaction with Olympic Champions, the children not only experienced the Olympic spirit and the joy of participating in sports, but also enhanced their interest in sports and inspired their sports dreams. Meanwhile, they also participated in the “ANTA One Million Signature Campaign to Support the CSD at the Sochi Winter Olympics” and cheered for Chinese Olympic athletes competing in Sochi.

❷ Donated ANTA Sportswear to Support the Development of Winter Sports in China

In March 2014, we partnered with the Winter Sports Management Centre of the State General Administration of Sports, the Sports Bureau of Heilongjiang Province and the Sports Bureau and Education Bureau of Qitaihe City to launch a new

round of the “Sport-All for All” charity project. Well-known short-track speed skaters Wang Meng, Li Jianrou, Zhou Yang, Liu Qihong, Fan Kexin, Zhang Hui, Sun Linlin and Liang Wenhao, etc. shared their experiences at the Olympics and provided technical guidance with team members of teenager amateur sports school of short-track speed skating and local students in Qitaihe City. Meanwhile, we donated our functional sportswear products to the Sports Bureau of Qitaihe City to promote the development of short-track speed skating in China.

❸ Organised Cycling Event to Promote “Sports for All” Movement

In April 2014, we joined hands with the Jinjiang Municipal People’s Government and Jinjiang Economy News to launch the “Keep Moving for Healthier Lives – Cycling in Jinjiang with Olympic Champions” event. Sochi Olympics champions Li Jianrou, Zhang Hong and Zhou Yang, plus other well-known athletes rode bicycles wearing ANTA outfits to accompany several hundred cycling enthusiasts in Jinjiang to promote the “Sports for All” motto.

❹ Raising Social Awareness on “Left-Behind” Children through “Sport-All for All” Charity Project

In April 2014, our staff members spent a joyful day in Wei County, Hebei Province to meet “left-behind” children whose parents spend almost the entire year away from home in order to earn a living. Apart from donating products from the ANTA Kids sportswear series to the children, we held a special birthday party and played games with them. This activity had the aim of sharing happiness and care with the “left-behind” children, as well as to raise social awareness on them.

❺ Sponsored Olympic Day Run to Support Charity

We sponsored the Olympic Day Run for the sixth consecutive year, attracting more than 80,000 running enthusiasts from 19 cities across the country. This year, we integrated the Olympic Day Run and online marketing by launching for the first time a national-wide Olympic Day Run charity campaign. We donated RMB1 for every hundred calories consumed by runners to children living in remote mountain areas. With 100 million calories consumed, we shall donate a total of RMB1 million worth of ANTA sportswear to impoverished primary school students in Mabian Yi Autonomous County in Sichuan Province.



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 2014 and the related condensed consolidated statement of profit or loss and other 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 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

A handwritten signature in black ink that reads 'KPMG'. The letters are stylized and cursive, with the 'K' and 'P' being particularly prominent.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

6 August 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2014 RMB'000	2013 RMB'000
Turnover	3	4,121,906	3,366,545
Cost of sales		(2,261,907)	(1,982,432)
Gross profit		1,859,999	1,384,113
Other revenue		41,809	29,035
Other net loss		(1,643)	(6,365)
Selling and distribution expenses		(719,226)	(493,026)
Administrative expenses		(194,873)	(177,502)
Profit from operations		986,066	736,255
Net finance income	4	102,989	94,431
Profit before taxation	5	1,089,055	830,686
Taxation	6	(274,079)	(200,280)
PROFIT FOR THE PERIOD		814,976	630,406
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		(434)	(4,697)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		814,542	625,709
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the Company		802,784	625,749
Non-controlling interests		12,192	4,657
PROFIT FOR THE PERIOD		814,976	630,406
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity shareholders of the Company		802,350	621,052
Non-controlling interests		12,192	4,657
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		814,542	625,709
Earnings per share	7	RMB cents	RMB cents
– Basic		32.17	25.09
– Diluted		32.10	25.05

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 2014 – unaudited
(Expressed in Renminbi)

	Note	30 June 2014 RMB'000	31 December 2013 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	8	946,438	865,751
Construction in progress	9	101,165	69,296
Lease prepayments	10(a)	146,886	149,098
Prepayments for acquisition of land use rights	10(b)	160,416	152,480
Intangible assets	11	498,226	506,861
Other financial assets		38,900	38,900
Deferred tax assets	18(b)	139,284	148,622
Total non-current assets		2,031,315	1,931,008
Current assets			
Inventories	12	791,088	689,321
Trade and other receivables	13	1,764,973	1,933,096
Other financial assets	14	535,000	510,000
Pledged deposits	14	215,460	215,460
Fixed deposits held at banks with maturity over three months	15	1,170,000	495,000
Cash and cash equivalents	15	4,401,370	4,344,262
Total current assets		8,877,891	8,187,139
Total assets		10,909,206	10,118,147
Current liabilities			
Bank loans	16	1,023,242	490,229
Trade and other payables	17	1,912,821	1,889,277
Amounts due to related parties	21(b)	9,729	6,840
Current taxation	18(a)	167,178	187,308
Total current liabilities		3,112,970	2,573,654
Net current assets		5,764,921	5,613,485
Total assets less current liabilities		7,796,236	7,544,493

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2014 – unaudited
(Expressed in Renminbi)

	Note	30 June 2014 RMB'000	31 December 2013 RMB'000 (audited)
Non-current liabilities			
Long-term payable to non-controlling interests — unsecured and at amortised cost		38,595	36,822
Deferred tax liabilities	18(b)	185,724	158,546
Total non-current liabilities		224,319	195,368
Total liabilities		3,337,289	2,769,022
Net assets		7,571,917	7,349,125
Equity			
Share capital	19	242,142	242,113
Reserves	19	7,140,446	6,911,875
Total equity attributable to equity shareholders of the Company		7,382,588	7,153,988
Non-controlling interests		189,329	195,137
Total liabilities and equity		10,909,206	10,118,147

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 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014 – 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 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	
Dividends approved in respect of the previous year	19(i)	-	-	-	-	-	-	(501,015)	(501,015)	-	(501,015)	
Appropriation to statutory reserve		-	-	-	13,822	-	-	(13,822)	-	-	-	
Equity-settled share-based payments	19(f)	-	-	-	-	-	(34,872)	-	(34,872)	-	(34,872)	
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	
Balances as at 1 January 2014		242,113	339,210	141,029	487,200	(316,535)	37,722	6,223,249	7,153,988	195,137	7,349,125	
<i>Changes in equity for the six months ended 30 June 2014:</i>												
Profit for the period		-	-	-	-	-	-	802,784	802,784	12,192	814,976	
Other comprehensive income		-	-	-	-	(434)	-	-	(434)	-	(434)	
Total comprehensive income for the period		-	-	-	-	(434)	-	802,784	802,350	12,192	814,542	
Dividends approved in respect of the previous year	19(i)	-	-	-	-	-	-	(574,952)	(574,952)	-	(574,952)	
Shares issued pursuant to Pre-IPO share option scheme	19(a)	29	1,240	-	-	-	(67)	-	1,202	-	1,202	
Appropriation to statutory reserve		-	-	-	41,881	-	-	(41,881)	-	-	-	
Dividend to non-controlling interests of a subsidiary		-	-	-	-	-	-	-	-	(18,000)	(18,000)	
Balances as at 30 June 2014		242,142	340,450	141,029	529,081	(316,969)	37,655	6,409,200	7,382,588	189,329	7,571,917	

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2014 RMB'000	2013 RMB'000
Net cash generated from operating activities		983,004	646,446
Net cash used in investing activities*		(858,211)	(432,458)
Net cash used in financing activities		(67,251)	(545,272)
Net increase/(decrease) in cash and cash equivalents		57,542	(331,284)
Cash and cash equivalents as at 1 January		4,344,262	4,007,535
Effect of foreign exchange rate changes		(434)	(4,697)
Cash and cash equivalents as at 30 June	15	4,401,370	3,671,554

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 RMB2,445,000,000 (2013: RMB2,305,280,000) and RMB3,120,000,000 (2013: RMB2,657,950,000) respectively.

NOTES TO THE INTERIM FINANCIAL REPORT

(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 Stock Exchange of Hong Kong Limited, 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 2014.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2013 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 2013 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 2013 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 amendments to International Financial Reporting Standards (“IFRSs”) and one new interpretation that are first effective for the current accounting period of the Group. Of these, the following development is relevant to the Group’s financial statements:

- Amendments to IAS 32, *Offsetting financial assets and financial liabilities*

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

Amendments to IAS 32, *Offsetting financial assets and financial liabilities*

The amendments to IAS 32 clarify the offsetting criteria in IAS 32. The amendments do not have an impact on the Group’s interim financial report as they are consistent with the policies already adopted by the Group.

NOTES TO THE INTERIM FINANCIAL REPORT

(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	
	2014	2013
	RMB'000	RMB'000
Footwear	2,009,535	1,691,753
Apparel	1,939,382	1,548,744
Accessories	172,989	126,048
	4,121,906	3,366,545

For the six months ended 30 June 2014, there was no customer with whom transactions have exceeded 10% of the Group's turnover (2013: Nil).

4 NET FINANCE INCOME

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
Interest income	116,801	106,149
Net foreign exchange gain	–	4,307
	116,801	110,456
Interest expenses on bank loans	(5,920)	(14,433)
Interest expense recognised on payable carried at amortised cost	(1,553)	(1,592)
Net foreign exchange loss	(6,339)	–
	(13,812)	(16,025)
Net finance income	102,989	94,431

5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
Cost of inventories (i) (note 12(b))	2,293,677	1,976,064
Staff costs (i) & (ii)	477,174	331,980
Depreciation (i)	59,203	48,059
Amortisation		
– lease prepayments	2,212	2,213
– intangible assets	13,171	12,835
(Reversal of provision)/provision for doubtful debts	(27,965)	28,286
Subcontracting charges (i)	32,377	28,245
Operating lease charges in respect of properties	106,452	64,883
Research and development costs (i) & (ii)	95,428	81,014

(i) Cost of inventories sold includes subcontracting charges, staff costs, depreciation and research and development costs, total amounting to RMB365,623,000 (2013: RMB324,498,000).

(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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
Current tax		
PRC Corporate Income Tax	237,563	173,959
Deferred tax (note 18(b))		
Origination and reversal of other temporary differences	36,516	26,321
	274,079	200,280

- (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 2014 and 2013.
- (iii) In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance note, a subsidiary in Mainland China is entitled to tax concessions whereby the profits of the subsidiary are taxed at a preferential income tax rate. 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 2014 is based on the profit attributable to equity shareholders of the Company of RMB802,784,000 (2013: RMB625,749,000) and the weighted average number of ordinary shares in issue during the period of 2,495,576,000 (2013: 2,494,163,000).

Weighted average number of ordinary shares

	Six months ended 30 June	
	2014	2013
	'000 shares	'000 shares
Issued ordinary shares	2,495,351	2,494,163
Effect of share options exercised	225	–
Weighted average number of ordinary shares	2,495,576	2,494,163

(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 (see notes 19(g) and 19(h)) assuming they were exercised.

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2014	2013
	'000 shares	'000 shares
Weighted average number of ordinary shares	2,495,576	2,494,163
Effect of deemed issue of shares under the Company's share option schemes	5,610	4,197
Weighted average number of ordinary shares (diluted)	2,501,186	2,498,360

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

8 PROPERTY, PLANT AND EQUIPMENT

	2014 RMB'000	2013 RMB'000
Net book value, as at 1 January	865,751	894,527
Additions	132,247	22,406
Transfer from construction in progress (note 9)	10,598	26,713
Disposals (net book value)	(2,955)	(7,576)
Depreciation charge for the period	(59,203)	(48,059)
Net book value, as at 30 June	946,438	888,011

9 CONSTRUCTION IN PROGRESS

	2014 RMB'000	2013 RMB'000
As at 1 January	69,296	22,991
Additions	42,467	34,910
Transfer to property, plant and equipment (note 8)	(10,598)	(26,713)
As at 30 June	101,165	31,188

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.

(b) Prepayments for acquisition of land use rights

As at 30 June 2014, the Group made prepayments of RMB160,416,000 (31 December 2013: RMB152,480,000) for the acquisition of land use rights for certain properties held for own use under development in the PRC. The related land use right certificates were under application as at 30 June 2014.

11 INTANGIBLE ASSETS

	2014 RMB'000	2013 RMB'000
Net book value, as at 1 January	506,861	528,857
Additions	4,536	1,582
Amortisation for the period	(13,171)	(12,835)
Net book value, as at 30 June	498,226	517,604

12 INVENTORIES

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

	30 June 2014 RMB'000	31 December 2013 RMB'000
Raw materials	99,874	90,647
Work in progress	98,132	107,892
Finished goods	593,082	490,782
	791,088	689,321

(b) The analysis of the amount of inventories recognised as an expense and charged/(credited) to profit or loss is as follows:

	Six months ended 30 June 2014 RMB'000	2013 RMB'000
Carrying amount of inventories sold	2,293,677	1,976,064
(Reversal of write-down)/ write-down of inventories	(31,770)	6,368
	2,261,907	1,982,432

13 TRADE AND OTHER RECEIVABLES

	30 June 2014 RMB'000	31 December 2013 RMB'000
Trade receivables	901,593	922,351
Less: provision for doubtful debts	(42,209)	(70,174)
Advance payments to suppliers	859,384	852,177
Deposits and other prepayments	606,008	759,255
VAT deductible	177,359	184,965
Interest receivables	93,899	101,981
Other receivables	25,885	30,605
	2,438	4,113
	1,764,973	1,933,096

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 2014 RMB'000	31 December 2013 RMB'000
Current	817,175	782,003
Less than 3 months past due	67,752	111,626
Past due over 3 months	16,666	28,722
	901,593	922,351

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

	2014 RMB'000	2013 RMB'000
As at 1 January	70,174	44,338
(Credited)/charged to profit or loss	(27,965)	28,286
As at 30 June	42,209	72,624

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 2014, 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/ PLEGDED DEPOSITS

Other current financial assets as at 30 June 2014 represent unlisted available-for-sale investments.

Pledged bank deposits as at 30 June 2014 have been pledged as security for certain construction projects and contracts.

15 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS HELD AT BANKS

	30 June 2014 RMB'000	31 December 2013 RMB'000
Deposits with banks within three months to maturity when placed	2,537,239	2,544,567
Cash at bank and in hand	1,864,131	1,799,695
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	4,401,370	4,344,262
Deposits with banks with more than three months to maturity when placed	1,170,000	495,000
	5,571,370	4,839,262

16 BANK LOANS

Bank loans as at 30 June 2014 were denominated in Hong Kong dollar and repayable within one year.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

17 TRADE AND OTHER PAYABLES

	30 June 2014 RMB'000	31 December 2013 RMB'000
Trade payables	868,707	866,584
Receipts in advance from customers	50,439	35,068
Construction costs payables	11,249	22,290
VAT and other taxes payables	95,132	49,200
Accruals	818,579	836,418
Other payables	68,715	79,717
	1,912,821	1,889,277

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 2014 RMB'000	31 December 2013 RMB'000
Within 3 months	772,342	714,933
3 months to 6 months	71,225	63,799
Over 6 months	25,140	87,852
	868,707	866,584

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 2013	166,883	-	(151,148)	15,735
Charged to profit or loss (note 6)	19,301	6,812	208	26,321
As at 30 June 2013	186,184	6,812	(150,940)	42,056
As at 1 January 2014	154,016	4,530	(148,622)	9,924
Charged/(credited) to profit or loss (note 6)	27,825	(647)	9,338	36,516
As at 30 June 2014	181,841	3,883	(139,284)	46,440

(c) Deferred tax assets not recognised:

As at 30 June 2014, certain subsidiaries of the Group have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB100,632,000 (31 December 2013: RMB78,617,000) of which RMB6,754,000 (31 December 2013: RMB6,698,000) 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.

(d) Deferred tax liabilities not recognised:

As at 30 June 2014, temporary differences relating to the undistributed profits of certain subsidiaries of the Group in Mainland China amounted to RMB3,479,959,000 (31 December 2013: RMB3,145,577,000). Deferred tax liabilities of RMB173,998,000 (31 December 2013: RMB157,279,000) 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

During the period, pursuant to the Company's share option schemes (notes 19(g) and 19(h)), options were exercised to subscribe for 360,000 ordinary shares in the Company at a consideration of RMB1,202,000 of which RMB29,000 was credited to share capital and the balance of RMB1,173,000 was credited to the share premium account. RMB67,000 has been transferred from the share-based compensation reserve to the share premium account. For the six months ended 30 June 2013, no options that were issued pursuant to the share option schemes were exercised. No options (2013: 12,252,000) were lapsed during the period. As at 30 June 2014, 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 the Share Option Scheme is 18,126,000 (31 December 2013: 18,486,000).

(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 ANTA Investment Limited (formerly known as 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 profit or loss for the period of the review with a corresponding adjustment to the share-based compensation reserve.

(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 3 years commencing from the listing date and the options are exercisable for a period of 10 years. The Group has no legal or constructive obligation to repurchase or settle these options in cash.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

19 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(h) Share Option Scheme

The Company 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	
	2014	2013
	RMB'000	RMB'000
Interim dividend declared after the interim period of HK25 cents per ordinary share (2013: HK19 cents per ordinary share)	495,024	377,259

The interim dividend has not been recognised as a liability as at 30 June 2014.

- (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	
	2014	2013
	RMB'000	RMB'000
Final dividend in respect of the year ended 31 December 2013, approved and paid during the period, of HK22 cents per ordinary share (2012: HK17 cents per ordinary share)	436,170	340,690
Special dividend in respect of the year ended 31 December 2013, approved and paid during the period, of HK7 cents per ordinary share (2012: HK8 cents per ordinary share)	138,782	160,325
	574,952	501,015

20 COMMITMENTS

(a) Operating leases

As at 30 June 2014, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	30 June	31 December
	2014	2013
	RMB'000	RMB'000
Within 1 year	71,438	63,817
After 1 year but within 5 years	56,460	32,172
	127,898	95,989

The Group leases a number of properties under operating leases. The leases typically run for an initial period of 1 to 5 years, with an option to renew when all terms are renegotiated.

20 COMMITMENTS (Continued)

(b) Capital commitments

Capital commitments outstanding as at 30 June 2014 not provided for in the interim financial report were as follows:

	30 June 2014 RMB'000	31 December 2013 RMB'000
Contracted for	97,715	142,095
Authorised but not contracted for	156,876	186,763
	254,591	328,858

21 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Six months ended 30 June 2014 RMB'000	2013 RMB'000
Recurring transactions		
Purchases of raw materials		
– Quanzhou Anda Packaging Co., Ltd. (“Quanzhou Anda”)	16,998	9,564
Service fee		
– Ding Shijia	6,919	–

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

(b) Balances with related parties

As at 30 June 2014, the Group had the following balances with related parties:

	30 June 2014 RMB'000	31 December 2013 RMB'000
Amounts due to related parties		
Trade balances		
– Quanzhou Anda	6,026	4,326
Other balances		
– Ding Shijia	3,703	2,514
	9,729	6,840

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

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors were as follows:

	Six months ended 30 June 2014 RMB'000	2013 RMB'000
Short-term employee benefits	5,846	5,714
Equity-settled share-based payments	–	(2,557)
	5,846	3,157

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

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 2014, 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 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⁾	—	57.63%
	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⁾	—	57.41%
	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 2014, the number of outstanding ordinary shares of the Company and of Anta International were 2,495,711,000 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 notes 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 57.37% of the issued share capital of the Company as at 30 June 2014, 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 57.37% of the issued share capital of the Company as at 30 June 2014, 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 2014. 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 2014. 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 2014. The entire issued share capital of Spread Wah International Limited is held by Albright Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust is an irrevocable discretionary trust set up by Mr. Wu Yonghua as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WYH Family Trust are family members of Mr. Wu Yonghua. Mr. Wu Yonghua as founder of the WYH Family Trust is deemed to be interested in the 601 shares of Anta International held by Spread Wah International Limited.

Save as disclosed above, as at 30 June 2014, 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 2014, 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/underlying Shares

Name of shareholders	Capacity/Nature of interest	Number of Shares/underlying Shares interested	Approximate percentage of interest in the Company
HSBC Trustee	Trustee (other than a bare trustee) ⁽¹⁾	1,727,653,000 (L)	69.22%
Anta International	Beneficial owner	1,431,900,000 (L)	57.37%
Allwealth Assets Limited	Interest in controlled corporation ⁽¹⁾	1,432,900,000 (L)	57.41%
Shine Well	Interest in controlled corporation ⁽¹⁾	1,431,900,000 (L)	57.37%
	Beneficial owner ⁽¹⁾	6,446,000 (L)	0.26%
Talent Trend	Interest in controlled corporation ⁽¹⁾	1,431,900,000 (L)	57.37%
	Beneficial owner ⁽¹⁾	1,000,000 (L)	0.04%
Top Bright Assets Limited	Interest in controlled corporation ⁽¹⁾	1,438,346,000 (L)	57.63%
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 57.37%, 6.72%, 4.82%, 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 underlying Shares of her spouse, Mr. Lai Shixian, an Executive Director of the Company, which may be issued to Mr. Lai Shixian 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 2014, 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 and Corporate Governance Report set out in Appendix 14 to the Listing Rules (the “Code”) during the six months ended 30 June 2014. 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 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 2014.

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 Audit 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 2014 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 2014.

GLOSSARY

Anda Holdings

Anda Holdings International Limited

Anda Investments

Anda Investments Capital Limited

ANTA

ANTA Brand

A-Web 2.0 running shoe

ANTA A-Web 2.0 technology running shoe

Anta International

Anta International Group Holdings Limited

ANTA Sports/Company

ANTA Sports Products Limited

ANTA store(s)

ANTA authorised retail store(s)

Board

The Board of Directors of the Company

BVI

The British Virgin Islands

China/PRC

People's Republic of China

CCTV

China Central Television

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

FIFA

Fédération Internationale de Football Association

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 2014

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

TVC

Television Commercial

INVESTORS INFORMATION

Share Information

Listing Day: 10 July 2007
Board lot size: 1,000 shares
Numbers of shares in outstanding: 2,495,711,000 shares
(As at 30 June 2014)

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 ANTA 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 13 years, our footwear has been enjoying a leading position in China composed index on market share.

Dividends

HK cents	2010	2011	2012	2013	2014
Interim dividend	20	26	23	19	25
Final dividend	25	26	17	22	
Special dividend	–	–	8	7	

Important Dates

6 August 2014 Interim results announcement
21 August 2014 4:30 p.m. Record date of 2014 interim dividend
On or about 3 September 2014 Payment date of 2014 interim dividend
31 December 2014 Financial year end date of 2014

Investor Relations Contacts

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TdA – concept and design
www.tda.com.hk

Equity – production and printing
www.equitygroup.com.hk



ANTA A-WEB 2.0 TECHNOLOGY RUNNING SHOE