

ANTA SPORTS PRODUCTS LIMITED

Incorporated in the Cayman Islands with limited liability

Stock Code: 2020

INTERIM REPORT 2021



Chinese Olympic Committee Official Partner

中国奥委会合作伙伴



ABOUT ANTA SPORTS PRODUCTS LIMITED

ANTA brand was established in 1991, while ANTA Sports Products Limited, a leading global sportswear company, was listed on the Main Board of HKEx in 2007 (Stock code: 2020.HK). For many years, ANTA Sports has been principally engaging in the design, development, manufacturing and marketing of branded sportswear including footwear, apparel and accessories to consumers. By embracing an all-round brand portfolio including ANTA, FILA, DESCENTE and KOLON SPORT, and by setting up an investor consortium to successfully acquire Amer Sports in 2019, a Finnish sportswear group that has internationally recognized brands including Salomon, Arc'teryx, Peak Performance, Atomic, Suunto, Wilson, etc. ANTA Sports aims to unlock the potential of both the mass and high-end sportswear markets.



Wang Yibo,
A Chinese top star

MISSION

To integrate the sports spirit of "Going Beyond Oneself" into everyone's daily life.

VISION

To become respectable world-class, multi-brand sportswear group.

SPORTS FOR LIFE AMTA FOR CHINA

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CORE VALUES

- CONSUMER-CENTRIC
- DEVOTION
- INNOVATION AND PUSHING AHEAD

- RESPECT AND APPRECIATION
- INTEGRITY AND GRATITUDE

FINANCIAL OVERVIEW

Six months ended 30 June	2021	2020	Changes		As at 30 June	2021	2020	Changes	
	(RMB million)	(RMB million)		(%)		(RMB cents)	(RMB cents)		(%)
Revenue	22,812	14,669	↑	55.5	Shareholders' equity per share	993.22	787.58	↑	26.1
ANTA	10,578	6,777	↑	56.1		(%)	(%)		(% point)
FILA	10,827	7,152	↑	51.4	Gearing ratio ⁽²⁾	22.5	36.0	↓	13.5
All other brands	1,407	740	↑	90.1	Return on average total shareholders' equity (annualized) ⁽³⁾	30.4	16.1	↑	14.3
Gross profit	14,408	8,339	↑	72.8	Return on average total assets (annualized) ⁽⁴⁾	14.6	7.3	↑	7.3
ANTA	5,587	2,822	↑	98.0	Average total shareholders' equity to average total assets	48.0	45.6	↑	2.4
FILA	7,830	5,040	↑	55.4		(in 181 days)	(in 182 days)		(days)
All other brands	991	477	↑	107.8	Average inventory turnover days ⁽⁵⁾	117	135	↓	18
Profit from operations	5,905	3,604	↑	63.8	Average trade receivables turnover days ⁽⁶⁾	28	46	↓	18
ANTA	2,447	1,858	↑	31.7	Average trade payables turnover days ⁽⁷⁾	44	72	↓	28
FILA	3,143	1,766	↑	78.0					
All other brands	295	19	↑	1,452.6					
Profit for the period	4,132	1,780	↑	132.1					
Profit attributable to equity shareholders									
– without the effect of share of loss of a joint venture	4,186	2,377	↑	76.1					
– with the effect of share of loss of a joint venture	3,840	1,658	↑	131.6					
Free cash inflow	5,861	1,902	↑	208.1					
	(RMB cents)	(RMB cents)		(%)					
Earnings per share									
– Basic	142.77	61.63	↑	131.7					
– Diluted	140.04	61.35	↑	128.3					
	(HK cents)	(HK cents)		(%)					
Interim dividend per share	60	21	↑	185.7					
	(%)	(%)		(% point)					
Gross profit margin	63.2	56.8	↑	6.4					
ANTA	52.8	41.6	↑	11.2					
FILA	72.3	70.5	↑	1.8					
All other brands	70.4	64.5	↑	5.9					
Operating profit margin	25.9	24.6	↑	1.3					
ANTA	23.1	27.4	↓	4.3					
FILA	29.0	24.7	↑	4.3					
All other brands	21.0	2.6	↑	18.4					
Net profit margin	18.1	12.1	↑	6.0					
Margin of profit attributable to equity shareholders									
– without the effect of share of loss of a joint venture	18.3	16.2	↑	2.1					
– with the effect of share of loss of a joint venture	16.8	11.3	↑	5.5					
Effective tax rate ⁽¹⁾	27.0	29.4	↓	2.4					
Advertising and promotional expenses ratio (as a percentage of revenue)	9.4	9.9	↓	0.5					
Staff costs ratio (as a percentage of revenue)	14.4	15.0	↓	0.6					
R&D costs ratio (as a percentage of revenue)	2.2	2.7	↓	0.5					

Notes:

- Effective tax rate does not include the effect of share of loss of a joint venture.
- Gearing ratio is equal to total borrowings divided by the total assets at the end of the relevant period.
- Return on average total shareholders' equity is equal to the profit attributable to equity shareholders divided by the average balance of total shareholders' equity.
- Return on average total assets is equal to the profit attributable to equity shareholders divided by the average balance of total assets.
- 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.
- Average trade receivables turnover days is equal to the average balance of trade receivables divided by the revenue and multiplied by the number of days in the relevant period.
- 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.
- Average balance aforementioned means the average of the balance as at 1 January and the balance as at 30 June of the relevant period.
- Certain classifications have been changed to reflect the change of information reported internally to the chief operating decision makers. Certain comparative figures have been restated to conform to the current period's presentation.

RESULTS HIGHLIGHTS

FINANCIAL PERFORMANCE



Revenue increased by 55.5% to

RMB22.8 billion



Profit attributable to equity shareholders (without the effect of share of loss of a joint venture) increased by 76.1% to

RMB4.2 billion

Profit attributable to equity shareholders (with the effect of share of loss of a joint venture) increased by 131.6% to

RMB3.8 billion



Gross profit margin increased by 6.4% point to

63.2%



Basic earnings per share increased by 131.7% to

RMB142.77 cents



Payout of the profit attributable to equity shareholders

35.4%

OPERATIONAL PERFORMANCE



Number of ANTA stores (including ANTA KIDS standalone stores) in Mainland China and foreign countries stood at

9,788



Number of FILA stores (including FILA KIDS and FILA FUSION standalone stores) in Mainland China, Hong Kong, Macao and Singapore stood at

1,979



Number of KOLON SPORT stores in Mainland China and Hong Kong stood at

151



Number of DESCENTE stores in Mainland China and Hong Kong stood at

178

CORPORATE INFORMATION

Board		
Executive Directors	Mr. Ding Shizhong (Chairman) Mr. Lai Shixian Mr. Zheng Jie	Mr. Ding Shijia (Deputy Chairman) Mr. Wu Yonghua Mr. Bi Mingwei
Non-Executive Director Independent Non-Executive Directors	Mr. Wang Wenmo Mr. Dai Zhongchuan Mr. Lai Hin Wing Henry Stephen Mr. Tse Kin Chung	Mr. Yiu Kin Wah Stephen Ms. Wang Jiaqian
Company Secretary		
Board Committees		
Audit Committee	Mr. Yiu Kin Wah Stephen (Chairman) Mr. Lai Hin Wing Henry Stephen Mr. Dai Zhongchuan (Chairman) Ms. Wang Jiaqian	Mr. Dai Zhongchuan Ms. Wang Jiaqian Mr. Lai Hin Wing Henry Stephen Mr. Ding Shizhong Mr. Yiu Kin Wah Stephen
Remuneration Committee	Mr. Lai Hin Wing Henry Stephen (Chairman) Mr. Lai Shixian	Mr. Dai Zhongchuan Mr. Lai Shixian
Nomination Committee	Mr. Yiu Kin Wah Stephen (Chairman) Ms. Wang Jiaqian	
Risk Management Committee		
Authorized representatives	Mr. Ding Shizhong	Mr. Lai Shixian
Registered Office Cayman Islands Office	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands	
Principal Place of Business in Hong Kong Hong Kong Office	16/F, Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong	
Head offices in Mainland China		
Jinjiang Office	Dongshan Industrial Zone, Chidian Town, Jinjiang City, Fujian Province, China Postal code: 362212	
Xiamen Office	No. 99 Jiayi Road, Guanyinshan, Xiamen, Fujian Province, China Postal code: 361008	
Share registrars and transfer offices		
Cayman Islands Principal Registrar	Suntera (Cayman) Limited Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, 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	Morgan, Lewis & Bockius	
Auditor	KPMG <i>Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance</i>	
Risk management and internal control review adviser	KPMG Advisory (China) Limited	
Principal bankers	Bank of China (Hong Kong) Limited Industrial Bank Co., Ltd. Standard Chartered Bank PLC	Bank of China Limited Citibank, N.A.



Gao Yuanyuan,
a renowned Chinese actress

CHAIRMAN'S STATEMENT

DRIVEN BY OUR MISSION, MOVING BEYOND 30 YEARS

Dear Shareholders,

On behalf of the Board, I am pleased to present our interim results for the six months ended 30 June 2021.

Grasping Recovery, Realizing “High-quality Growth”

Having maintained our focus during the ups and downs in the past 30 years, ANTA Sports was able to look back on three extraordinary decades with pride. Through our “Single-focus, Multi-brand, Omni-channel” strategy, we have been successfully fulfilling various consumer needs with our multi-brand portfolio, achieving a “Consumer-centric” approach alongside “High-quality Growth”. As a result of our dedication over the past 30 years, all our brands have established a leading edge in China's sportswear market, allowing us to become a respectable world-class, multi-brand sportswear group.

The Pandemic and global economic recovery were still causing significant uncertainties. However, as

precautionary measures against the Pandemic has become an everyday norm, people are more engaged in healthy lifestyles and are more active in sports, bringing new opportunities to the global sportswear industry. We maintained “Dynamic Management” to boost “High-quality Growth”. The successful execution of our well-defined strategy laid a solid foundation for our business. The incubation model we used for our brands has seen positive development. Through this model, we formed three competitive growth curves: a cornerstone growth curve with ANTA as core, a high-quality and high-growth curve that focuses on FILA's fashion sports clothing, and a high potential growth curve that focuses on DESCENTE and KOLON SPORT. These curves formed a comprehensive growth model that lays solid groundwork for further business expansion.

During the financial period, we grasped the opportunities of recovery after the slowdown of Pandemic. The revenue grew significantly by 55.5% to RMB22.81 billion (20201H: RMB14.67 billion), a strong rebound and new record high over the years. Compared to the same period of 2019, the revenue also grew by 54.0%,

establishing our absolute leading advantage. All brands performed satisfactorily and drove the overall gross profit margin to a new record high as well. During the financial period, the gross profit margin grew by 6.4% point to 63.2% (20201H: 56.8%). Compared to the same period of 2019, the gross profit margin grew by 7.1% point. There was significant increase in operating efficiency. The overall profit from operations increased by 63.8% to RMB5.91 billion (20201H: RMB3.60 billion). On a consolidated basis, without the effect of share of loss of a joint venture, the profit attributable to equity shareholders increased by 76.1% to RMB4.19 billion (20201H: RMB2.38 billion). On a consolidated basis, with the effect of share of loss of a joint venture, the profit attributable to equity shareholders increased by 131.6% to RMB3.84 billion (20201H: RMB1.66 billion). Moreover, the expansion of business resulted in the net cash generated from operating activities increasing by 163.6% to RMB6.31 billion (20201H: RMB2.40 billion), and free cash inflow increasing by 208.1% to RMB5.86 billion (20201H: RMB1.90 billion), reflecting our strong cash generation capability. The Board has declared an interim dividend of HK60 cents per ordinary share in respect of the financial period, the interim dividend (20201H: HK21 cents) with an increase of 185.7% as compared to the same period of last year, bringing generous returns to Shareholders.

Strong Potential Growth with Multiple Growth Curves in Parallel

ANTA has improved the efficiency in brand marketing, product expertise and channel management during the financial period. Within few months, ANTA completed all transition processes to establish a completed DTC model, retail business processes and operational standards for “Customers, Products and Channels”. Thanks to the strong rebound via both online and offline channels during the financial period, in addition to the efficient execution of DTC model, the revenue

of ANTA segment grew by 56.1% to RMB10.58 billion, a new record high over the years. The gross profit margin increased by 11.2% point to 52.8%, maintaining its strong leadership in Chinese sportswear industry.

During the financial period, FILA strengthened its image as a high-end fashion sports brand with top-quality products, top branding and top channels. In addition, the successes of FILA KIDS and FILA FUSION have also enabled FILA to reach out to more high-end consumers of different age groups. During the financial period, the revenue of FILA segment grew by 51.4% to RMB10.83 billion. FILA grew by 65.6% compared to the same period of 2019. The gross profit margin and operating profit margin increased by 1.8% point and 4.3% point to 72.3% and 29.0% respectively, proving its high quality growth.

DESCENTE's professional sports brand image and KOLON SPORT's outdoor lifestyle brand image have been appropriately positioned in the market, and the businesses have maintained high growth. During the financial period, the revenue of all other brands (including DESCENTE and KOLON SPORT) grew by 90.1% to RMB1.41 billion. Compared to the same period of 2019, the revenue increased by 106.0%. The gross profit margin and operating profit margin respectively recorded satisfactory levels of 70.4% and 21.0%. The incubation models of new brands have been fully recognized.

During the financial period, Amer Sports' business in China grew rapidly while its overseas operations stabilized as the Pandemic situation subsided. All of Amer Sports' brands progressed smoothly in line with its strategy. During the financial period, Amer Sports completed the sale of its fitness equipment brand Precor, which further consolidated its core brand matrix. Amer Sports continued to implement its long-term strategies to develop its footwear and apparel business, DTC model and China market. All of these key growth areas have achieved favorable results. During the financial

period, although the Pandemic in foreign countries remained uncertain, the revenue of the joint venture of AS Holding grew by 36.8% to RMB7.99 billion while EBITDA improved a lot from a loss to a profit of RMB557 million as compared to the same period of last year.

Focus on Competing in Online Channels, Digitalization Drives All-round Empowerment

The Pandemic has altered consumer preferences, driving changes in consumers' shopping habits. E-commerce business has gradually become the main segment to compete, and corporates must redefine their "Consumers, Products and Channels" to maintain long-term competitiveness. We expect that the growth rate of our e-commerce business will continue to outpace our offline business over the next few years, and the share of e-commerce business will continue to increase. Therefore, we continue to increase investments in our online and digitalization aspects to capture the uptrend. During the financial period, under our multi-brand strategy, we established an independent online structure for different brands, setting clear standards for the online business strategy and the operating standards across multiple aspects of each brand, in order to gain market share in the online market through "Omni-channel". As a result, our e-commerce business during the financial period contributed 27% (20201H: 26%) of the overall revenue to the Group, and increased by 61% as compared to the same period of 2020 in terms of absolute amount, maintaining a strong growth despite last year's high base effects.

Digitalization has empowered our online sales and driven the rapid online-offline integration. We further improved the membership system of different brands for in-depth understanding on customers' traits and needs, and as a result we can provide better services for customers. In addition, through digitalization, our smart product replenishment system has been upgraded. By improving the

flexibility of the supply chain and optimizing its agility to meet market changes, the upgrade has helped to improve the replenishment process for both online and offline businesses. It has also effectively improved product efficiency, lowered inventory level, accelerated product turnover and therefore improved profitability overall.

Driven by our Mission, Moving Beyond 30 Years

The Year 2021 and 2022 are important for sportswear industry in China and around the world. We will seize the opportunities emerging from the Tokyo 2020 Olympic Summer Games and Beijing 2022 Olympic and Paralympic Winter Games to launch our "Two Olympics" marketing strategy. It is worth noting that China's Three-child policy was also implemented during the financial period. Based on these factors and the current situation, we see a vast market and huge potential in China's sportswear industry. Looking ahead, we have ambition to perform accurate benchmarking, to meet consumers demands and experience, and to continuously optimize operating efficiency, in order to "Lead to Win" in the future.

On behalf of the Board, I would like to express my sincere gratitude to all Shareholders for your support, and to our employees for their contributions towards us. We will continue to uphold the spirit of our motto that tells us to "Keep Moving" in order to promote our business development, thus continually creating greater value for our Shareholders.



Ding Shizhong
Chairman
Hong Kong, 24 August 2021



Daniel Wu,
an internationally renowned movie star

MANAGEMENT DISCUSSION AND ANALYSIS

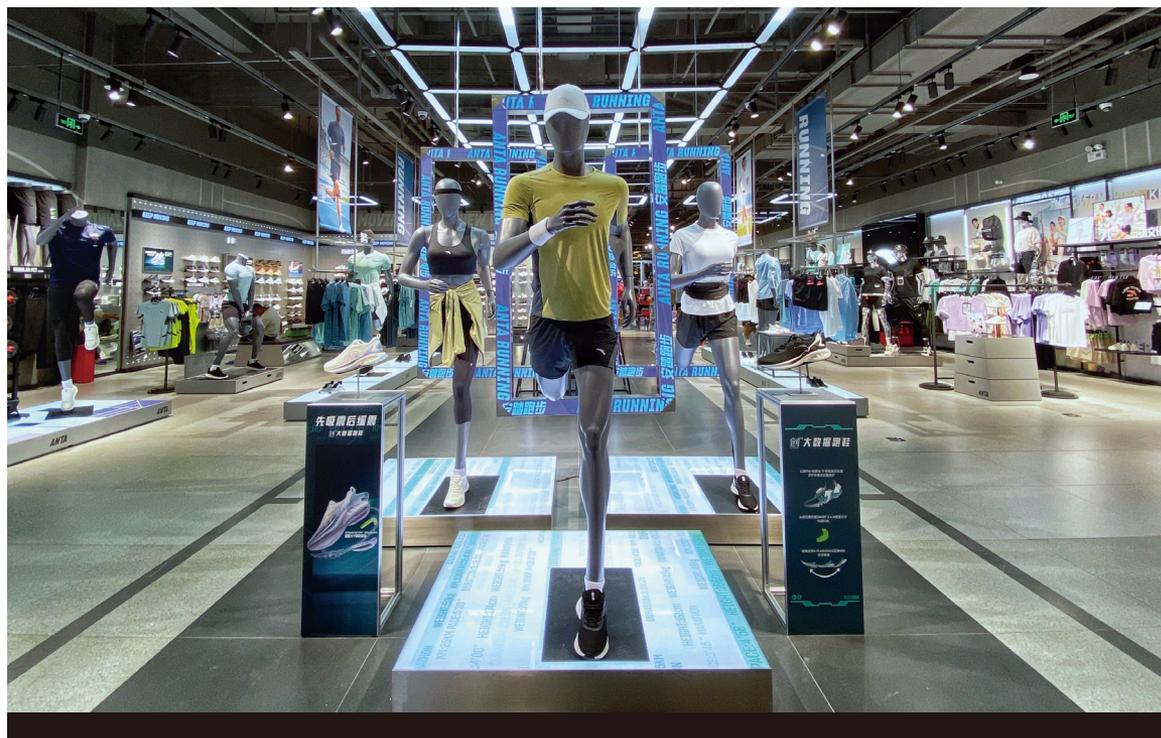
Market Review

China's Economy and Sportswear Market Rebounded after the Pandemic

The Pandemic continued to batter the economy of most countries around the world. However, with a relatively speedy recovery in China, China's GDP continued to pick up with an increase of 7.9% in the second quarter of 2021 compared to the same period last year, while in the first half of 2021, it grew by 12.7% year-on-year, according to the National Bureau of Statistics of China. The results marked a remarkable rebound from a year ago when the China's economy suffered huge impact in first quarter of 2020 as a result of the Pandemic.

The Chinese government have been trying to expand domestic demand. In the first half of 2021, the total retail sales of consumer goods reached RMB21.2 trillion, which marked an increase of 23% over the same period last year. The online sales of physical goods became one of the key themes with a relatively rapid growth rate of 18.7% to RMB5.03 trillion.

With the increasing concern towards health after the Pandemic, 2021 will be vital to the global sports industry. Sports and fitness have become a habit to most of the public. Major leagues and tournaments have been resumed to normal in



most countries around the world. The success of the Tokyo 2020 Olympic Summer Games has provided the world with increased confidence in holding major sporting events, such as the Beijing 2022 Winter Olympic and Paralympic Winter Games. The Chinese government and the public have given the events tremendous mental and material support. Winter sports industry is the primary beneficiary of these trends. According to the national Winter Sports Development Plan (2016–2025), the industry is expected to reach a scale of RMB1 trillion by 2025.

The sportswear industry in China has been transforming rapidly under the increasing awareness of healthy lifestyle, with consumers looking for professional, customized and differentiated sportswear instead of casual wear, helping to stimulate the growth of high-end products in the industry. Furthermore, given the themes of rising cultural identity in China, the popularity of the female sports market, and sustainable development, we foresee considerable rooms for the industry to grow.

MANAGEMENT DISCUSSION AND ANALYSIS

BRAND MANAGEMENT



ORGANIZATION STRUCTURE



IN-STORE SHOPPING



FEEDBACK

DIGITAL

CONSUMER SUPPORT

E-COMMERCE



MANAGEMENT DISCUSSION AND ANALYSIS



Continue to Execute Growth Strategies in Favorable Market Environment

We have adhered to a globalized strategic mindset. The strategy of “Single focus, Multi-brand, Omni-channel” has been successful. Our mature and fast incubation capability in the multi-brand matrix enabled us to satisfy the differentiated demands of consumers. We continue to ride on our three brand groups to facilitate our multi-brand strategy: Performance Sports Group, Fashion Sports Group and Outdoor Sports Group. ANTA and ANTA KIDS are categorized as the Performance Sports Group, while FILA, FILA FUSION and FILA KIDS are categorized as the Fashion Sports Group, DESCENTE and KOLON SPORT belong to the Outdoor Sports Group. With our capabilities in multi-brand management, we continue to be “Consumer-centric” and are committed to achieving “High-quality Growth”.

Since initiating the DTC model transformation in 2020, ANTA completed all transition process during the financial period, including building complete DTC model, retail workflow and operational processes as well as each key performance index at the store level within few months, resulting in a higher connectivity between ANTA and the retail network. DTC model allowed ANTA to respond to the demands of customers swiftly.

Besides, ANTA has been named as “BrandZ’s List of Top 10 Most Valuable Apparel Brands 2021”. It is the first time that ANTA has been shortlisted, which reflects its excellent brand equity and brand desirability. ANTA has also been included in the “Brand Finance’s Apparel 50 2021” list and “Brand

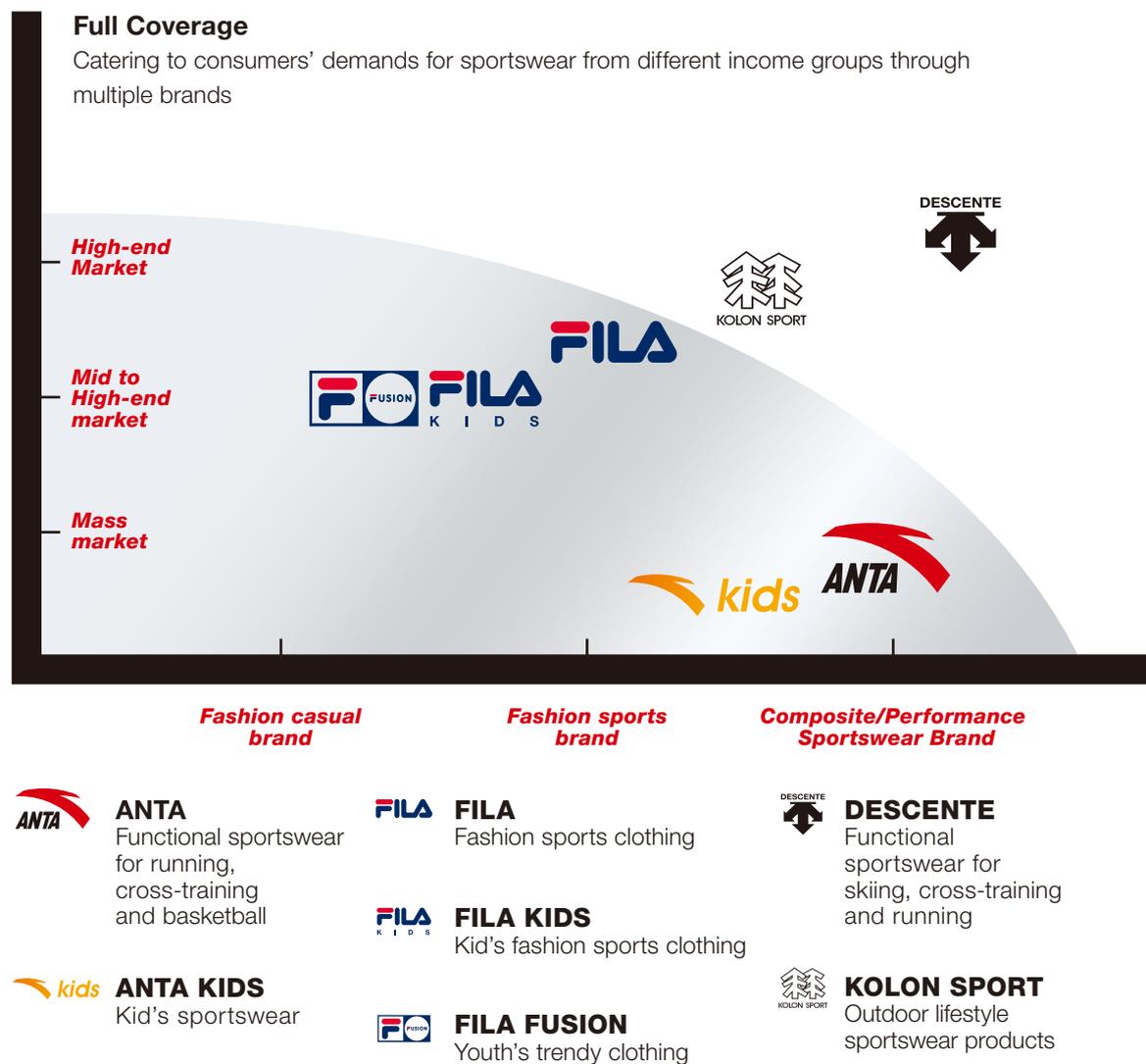
Finance's Global 500 2021" list. Last but not least, ANTA has been included in the "Hurun Most Valuable China 200 Brands 2020", in recognition of its stable performance and strong brand awareness.

During the financial period, FILA rolled out its multi-brand strategies together with FILA KIDS and FILA FUSION. Through running its self-operating stores that offer multiple scenes and its online business, FILA continued to launch better products, especially for footwear products. FILA took advantage of operating leverage, and at the same time still invested its resources into products and branding strategies, to enable FILA successfully capturing opportunities from different age groups, so that every member in a family becomes FILA customer. As for other high-growth brands like DESCENTE and KOLON SPORT, they continued to maintain strong growth and play important roles in our brand portfolio.

Optimizing Channels and Expanding Investment in Digitalization

Although the Pandemic was effectively under control in China, we expected there would be a prolonged impact on our business performances given the profound influence on consumer habits.

ANTA followed our high-end brands like FILA, DESCENTE, KOLON SPORT, etc., by initiating the DTC model which is vital for our business growth. DTC model allows us to face consumers directly, aligning "Customers, Products and Channels", and creates value for consumers in a more effective way. Meanwhile, by utilizing big data analysis provided by the existing digital



ANTA
Functional sportswear for running, cross-training and basketball

FILA
Fashion sports clothing

DESCENTE
Functional sportswear for skiing, cross-training and running

ANTA KIDS
Kid's sportswear

FILA KIDS
Kid's fashion sports clothing

KOLON SPORT
Outdoor lifestyle sportswear products

FILA FUSION
Youth's trendy clothing

platform, we can analyze real-time operation data of all the stores nationwide, achieving flexibility in inventory distribution among direct retail stores. The DTC model also emphasizes on deepening and maintaining the membership system.

Through identifying key business scenarios, we can formulate a differentiated membership management strategy, and provide personalized service for members.

MANAGEMENT DISCUSSION AND ANALYSIS



We have accelerated the product distribution process, reduced operating costs and maximized inventory efficiency, leading to a more effective cost management. Through digitalization of the whole supply chain, technology breakthrough and utilization of new materials, we can achieve faster product design, development and production, which can empower our brands' development. This also allows us to control inventory more effectively and maintain it at a reasonable level. Moreover, the full operation of the logistics centre provides a better solution for our logistics process and supply chain management.

The Pandemic has imposed a profound change on consumer habit and a new consumption trend has been formed, which makes e-commerce become more and more important. During the Pandemic, we have speeded up the e-commerce business development and have established an independent online business organizational structure as well as launched a series of marketing campaigns. Consequently, the e-commerce business during the financial period contributed 27% (20201H: 26%) of the overall revenue to the Group, and increased by 61% as compared

to the same period of 2020 in terms of absolute amount, maintaining a strong growth despite last year's high base effects. Furthermore, we fully upgraded our business in private domain traffic and enhanced the synergy between online and offline business. Through innovative marketing strategies like live webcast events at store and engaging Key Opinion Leaders, our sales volume was driven up successfully. In the meantime, we utilized the data-driven analysis to catch the attention of customers through competitive products and effective marketing strategies.

Business Review

Brand Management

ANTA

As a leading sportswear brand in China, ANTA has always been committed to providing Chinese consumers with functional and “value-for-money” sportswear products across a diverse range of sporting categories, from popular sports to professional and niche sports, including running, cross-training, basketball, etc.

During the financial period, ANTA continued to support Chinese athletes by becoming the official partner of COC for 16 years. We sponsored 22 Chinese national teams with Olympic outfit

including winter sports, boxing, taekwondo, gymnastics, karate, weightlifting, wrestling, trampoline, etc. In June, ANTA entered into an agreement with the Chinese National Swimming Team to officially become its strategic partner, by providing professional outfit for competition and training. The strategic partnership between ANTA and Chinese National Swimming Team demonstrated the efforts made by ANTA in actively promoting the Olympic and national spirit over the years and enhanced ANTA's brand influence and value. Meanwhile, ANTA unveiled its latest “Champion Dragon Outfit” for Tokyo 2020 Olympic Summer Games for the CSD. The “Champion Dragon Outfit” for the Tokyo 2020 Olympic Summer Games was designed by renowned visual artist Mr. Timmy Yip, which incorporated innovative Chinese elements with traditional cultural concepts and philosophy while taking sportswear cutting

into account. “Champion Dragon Outfit” combined Chinese traditional culture with aesthetics and high technology, sharing the joy with our Chinese Olympic athletes at the winning stage.

ANTA continued to endorse Chinese professional athletes including Wu Dajing, Zhang Jike, Eileen Gu, etc., to promote ANTA's professional image. During the financial period, ANTA endorsed Wang Yibo, a Chinese top star as the brand's Global Chief Brand Ambassador. And actively promoted the development of skateboard, street dance and car racing in China through his strong influence. Our collaboration has further boosted the development of the national sportswear brand in the market amid the consumption trend from the new generation, showcasing the spirit of Generation Z to a wider audience and spreading a positive vibe.



MANAGEMENT DISCUSSION AND ANALYSIS

ANTA is committed to promoting its image as a professional brand. During the financial period, ANTA took further actions to strengthen its leading position in footwear products. Riding on two professional sports categories: running and basketball, ANTA continued to build the FLASHLITE platform and running products. It showcased ANTA's effort in technological innovation in the professional running sector. Succeeding the overwhelming market response to FLASHLITE 2.0, ANTA launched FLASHLITE 3.0 through its advanced technological R&D. In the third edition, the material density dropped to 0.1 g/cm³, 28% lower than the previous edition, while the energy return rate reached 77%, 16% higher than FLASHLITE 2.0. On the other hand, ANTA collaborated with China's leading sports APP "Codoon" and launched a brand-new series of "A-TR[∞]N 1.5" running shoes. The partnership with "Codoon" demonstrated the brand's determination to strengthen technological innovation, aiming to gain insight into runners' needs and enhance runners' experience by utilizing data analysis insight for R&D. Moreover, during the financial period ANTA launched the first C202 GT running shoes, which applied polyether block amide materials. It satisfied the demands of professional runners in competitions.

In terms of basketball, ANTA continued to cooperate with professional basketball players, including Klay Thompson and Gordan Hayward. During the financial period, ANTA launched GH2-HyperX, KT-Splash3 and KT6 Low. Themed with moving clouds and water, KT6 Low released the pressure on ankles, to enable a swift shift between attack and defence. ANTA combined marketing activities to hold the "Shock the Game Basketball Tournament 5.0" in several cities including Guiyang, Nanjing, Ningbo, etc., where professional basketball players were invited to participate in

basketball competitions to interact with youngsters from different cities. "Shock the Game Basketball" became one of the IPs in ANTA basketball, which successfully established ANTA's basketball brand image to represent the younger generation. Moreover, ANTA launched the authorized national flag series of Beijing Olympic Winter Games, which also became the hot-selling items.

ANTA has been devoted to developing and launching good quality products. Besides establishing different design centres in China, the US, Japan, Korea, etc., ANTA has cooperated with Tsinghua University to establish the "Tsinghua University-ANTA (China) Co., Ltd Joint Research Centre for Sports Fashion". The centre is committed to building a world-leading innovation platform for the sportswear industry, and will strive to achieve major breakthroughs in the future development of the industry in four aspects, including materials, design, talents and industry research. ANTA will strive to achieve breakthroughs by exploring cooperation possibilities with different industry players.

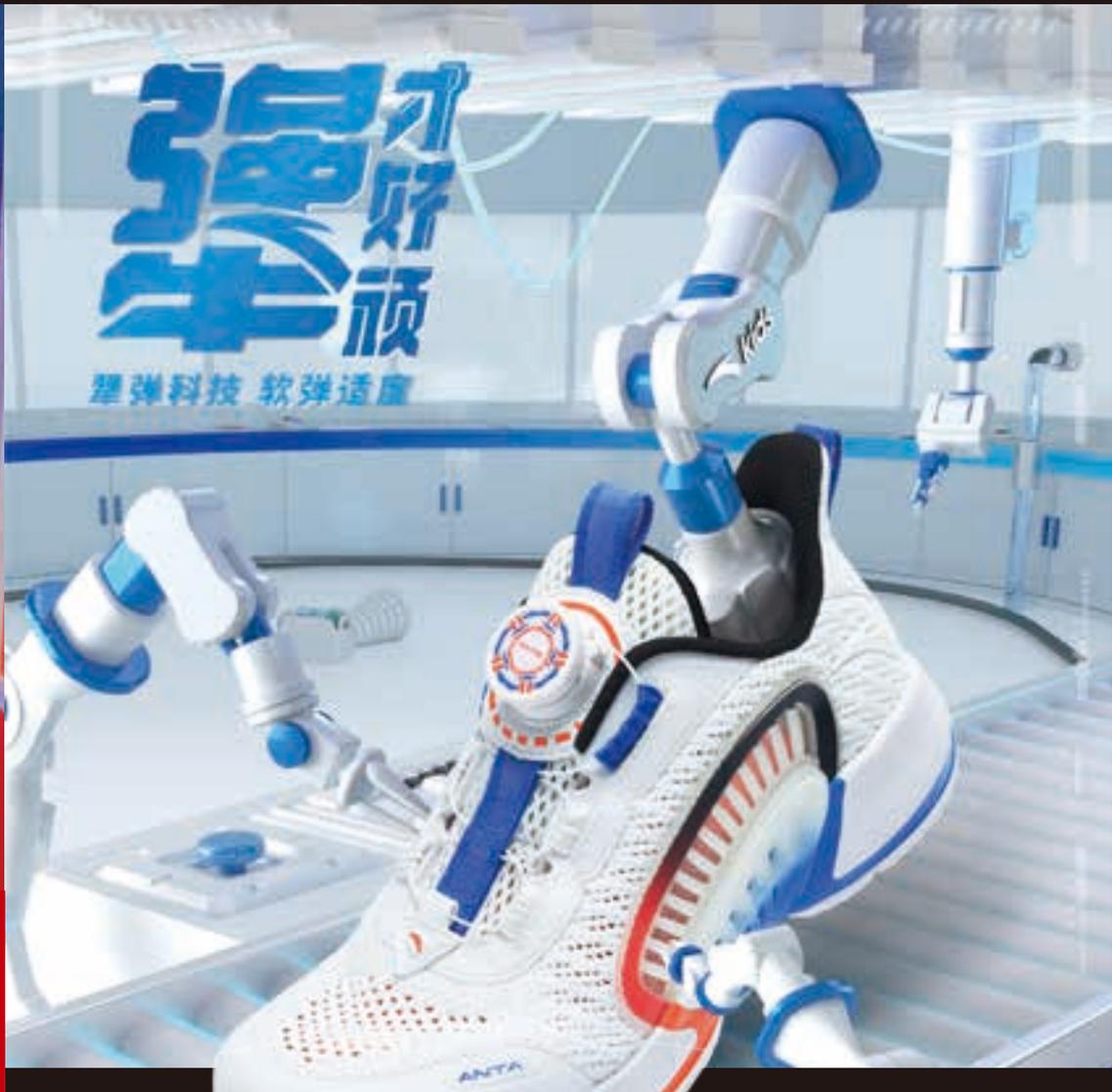
Since initiating its DTC model transformation in 2020, ANTA has completed the transition process of DTC model during the financial period, including to build a completed DTC model, retail workflow and operational processes as well as each key performance index at the store level within few months, resulting in a higher connectivity between ANTA and the retail network. DTC model allows ANTA to respond to the demand of customers swiftly, achieving the end goal of "Consumer-centric".

ANTA KIDS

ANTA KIDS is committed to providing sportswear products for children, a segment of the



sportswear market in China that continues to show the potential of high growth. With the Chinese government introducing the Three-child policy during the financial period, and under the backdrop of encouraging kids sports and enhancing the correlations between sports and school assessment by Chinese policy, kids' sportswear market is expected to expand further and foresee consolidation opportunities in the future. ANTA KIDS enjoys the advantage of being an "Industry Pioneer". After years of development, ANTA KIDS has established its leadership in the industry and consistently promoted its philosophy of "Grow Up with Fun". It now aims to incorporate more of a "Fun" element into the growth journey of kids through an integrated experience to encourage children to release their "Fun" energy and lead the future.



In order to build its professional image, ANTA KIDS leveraged the results of sports science laboratory of ANTA adults series, and continued to implement research studies into children's sports habits and their growth characteristics and launch a series of functional products for running, basketball, soccer and outdoor sports, by incorporating advanced kids technologies like quick-dry, warmth, water-repellent, protectiveness and comfortability into products that fulfil the specific needs of kids in different scenarios. During the financial period, ANTA KIDS launched the "Wind-riding Running Shoes 3.0" that applies Resilient Elastic Technology. Its soft and comfortability riding on a wave of popularity. Moreover, ANTA KIDS launched a series of hot-selling items including "Ride a wave" limited edition, self-developed sportswear apparel applying Water Cool technology, Alien basketball shoes and "A Thousand Miles of Rivers and

Mountains" series consisted of apparel and footwear product. Those products captured more attentions from the consumers, and those series achieved a better sell-through rate than average. Specifically, the proportion of footwear products increased progressively leading to stronger brand differentiation.

Through consolidated marketing strategies, ANTA KIDS launched the "Play Makes Your Day" training

camp, helping kids to increase their strength and lead to a healthier lifestyle. The training camp involved a series of professional physical training activities specifically designed for kids. ANTA KIDS collaborated with an internationally renowned sports training institution, to offer this professional physical fitness course to kids so as to promote their sports spirit of staying healthy.

ANTA KIDS

MANAGEMENT DISCUSSION AND ANALYSIS

FILA FILA KIDS FILA FUSION

FILA, FILA KIDS and FILA FUSION

FILA is positioned as a high-end fashion sports brand that, together with FILA KIDS and FILA FUSION, targets high-end consumers from a wide range of age groups. The success of FILA KIDS and FILA FUSION enables FILA successfully capturing opportunities from different age groups, so that every member in a family becomes FILA customer.

FILA built its elegant fashion image through establishing top quality products, top branding and top channels. Marking its anniversary of 110

years, FILA not only engaged with top celebrity endorsers, Gao Yuanyuan, Huang Jingyu and Cai Xukun, but also entered into an endorsement contract with renowned Chinese actress Jiang Shuying to make her mark on the “FILA Women” series during the financial period. With a slogan of “YOU ARE MY MATCH POINT”, FILA encouraged that women with confidence were naturally dazzling. Through FILA WHITE, FILA ORIGINALE and FILA MODERN HERITAGE, FILA provided high-end consumers with differentiated experiences in product series. FILA also launched the latest FILA ATHLETICS Cross Training series and offered quality and functional apparel for sports enthusiasts that help them perform at their best and be stylish at the same time during training. Meanwhile, FILA stepped forward into the segment of affordable luxury and launched a number of crossover series with fashionable brands, including FILA X 3.1 Phillip Lim, FILA X MSGM, FILA x LANVIN, FILA X Maison MIHARA YASUHIRO, etc. During the financial period, FILA continued to achieve breakthroughs on footwear products with the introductions of FILA x LANVIN crossover shoes, FILA Icona shoes, FILA Mind Blower 2 BOA shoes, etc. We are confident that its footwear products will become one of the growth drivers in the future.



The FILA KIDS brand was launched in Mainland China in 2015 with the aim of providing high-end apparel and footwear for children. Inheriting FILA's elegant and unique style, FILA KIDS has developed its leading position in the high-end kidswear market. FILA KIDS launched new kidswear collections for different scenarios during the financial period. During the Dragon Boat Festival, FILA KIDS launched limited-edition shoes with the theme of dragon boats, giving this traditional festival an Italian twist. In March, FILA also launched the FILA x PePe Shimada series, offering comfortable and dynamic apparel while motivating the consumer concern for animals.

FILA FUSION opened its own stores in 2017 targeting at young people. FILA FUSION is known for blending the concepts of youthfulness, sunshine and trendy sports together and cooperating with its endorser, a Japanese model, Kōki,. FILA FUSION also launched crossover series with multiple international renowned brands including FILA X WHITE Mountaineering based on their unique styles. They have been warmly received by the young consumers. During the financial period, FILA FUSION launched FUSION HUB which published newsletter on the WeChat account, helping our consumers to explore the current fashion trends as well as enhancing the interactions with the young consumers.



MANAGEMENT DISCUSSION AND ANALYSIS

DESCENTE

With over 80 years of brand history, DESCENTE is good at combining innovative technology with design aesthetics and upholding the “DESIGN THAT MOVES” sports spirit by utilizing quality materials to formulate the brand’s DNA. Since late 2016, we have exclusively engaged in the design, sale and operation of products bearing the “DESCENTE” trademark in Mainland China, with the aim of becoming high-end and high-quality professional sportswear brand. After 5 years of development, DESCENTE swiftly and successfully built its influence in the China market through different sports products series, including skiing, cross-training, running, golf and women’s fitness, among others. It caught the attention of our core targeted consumers who

pursue unique high-tech materials and exquisite craftsmanship.

During the financial period, DESCENTE continued to cooperate with internationally renowned movie star Daniel Wu to promote various series, including the series of TRAINING, RUNNING, ALLTERRAIN, DUALIS, SKI, etc. DESCENTE strengthened its product offerings by launching the new HEXA series, with lightweight and breathable fabrics that helped speed up the metabolism and body recovery. DESCENTE also joined forces with the Japanese brand ZUCCA and the Italian brand Vespa to launch crossover series. The core categories of DESCENTE including triathlon, Womens A-motion series and

golf made some breakthroughs and achieved excellent sales performance. During the financial period, DESCENTE kicked off the “Dare to Move” campaign. During the campaign, women with successful careers shared about the difficulties they encountered in their daily lives and how sports had changed all that by building their confidence and abilities. The campaign aimed to promote and encourage the public to engage in sports.

Meanwhile, DESCENTE expanded its store footprint – debuting its largest flagship store in Shanghai among China. The two-storey store showcased the brand’s full range of high-end sports products and provided consumers with an immersive sports experience. DESCENTE started

KOLON SPORT



KOLON SPORT

Since it was founded in 1973, KOLON SPORT aimed to develop itself as a premium outdoor lifestyle brand. In order to seize opportunities in the outdoor sports market, KOLON SPORT has enhanced the consumer experience through product innovation and upgrading its retail image.

During the financial period, KOLON SPORT announced that renowned Chinese actress Liu Shishi became a brand endorser. She worked alongside Chen Kun, a renowned Chinese actor, to interpret the high-end outdoor lifestyle of “Your

out with skiwear products, and skiing became a key and crucial component in the brand's history and DNA. Therefore, the brand store's design was inspired by the concept of ice and snow, allowing consumers to experience the allure of winter sports.

To celebrate the opening of DESCENTE's flagship store, the newly established D-MOVER CLUB, a professional platform for adventurous and dedicated sports lovers to challenge themselves, was also debuted during the ceremony. During the financial period, the D-MOVER CLUB organized different sporting activities in various cities in China and online classes to provide high-end professional sports trainings and allow interactions with the consumers.



DESCENTE

Best Way To Nature” and encourage the public to step outdoors to enjoy “NATURE” with all their hearts.

KOLON SPORT's SECO series with POLO and basic T-shirts were introduced into the market and applied soft and comfortable fabric, which were effectively durable and easy to take care of, as well as providing protection against ultraviolet damage. Whether it was for urban commutes or outdoor sports, it could always adapt to the needs of various scenarios, allowing people to

move around freely. In the meantime, KOLON SPORT continued its NOACH project and launched environmental-friendly products. Its Dri-Release recyclable materials absorbed moisture and were quick-drying. The UTILITY-PAC walker windbreaker series was also introduced into the market during the financial period, which used lightweight and easy-to-carry fabrics and looked appealing to Chinese consumers.

In terms of marketing, KOLON SPORT launched “KOLON Road Lab” in Shanghai in March, where

participants set up camp at the event site with their friends and family. Apart from camping, the participants enjoyed campfires, frisbee throwing and sailing at the event. We are confident that with the rise of the middle class and the millennial generation, as well as the rising trend of outdoor sports, KOLON SPORT will expand its footprint strategically in the high-end shopping malls and e-commerce platforms, creating profitability with sustainable performance.

Supply Chain Management

We always strive to achieve effective supply chain management. Suppliers must develop in tandem with us to attain high efficiency in operations. Apart from implementing a strict supplier selection regime, we are also committed to providing assistance to suppliers to enhance their governance, production and operational standards.

In terms of efficiency upgrades, we have carried out strategic transformation and overall efficiency improvement by creating a digital platform. In particular, we have optimized our supply chain management in order to mirror the O2O model and implement the integration of online and offline inventory. Moreover, we have accelerated the product distribution process, reduced operating costs and maximized inventory efficiency, leading to a more effective cost management.

We assess suppliers in many aspects when it comes to our selection process, including the performance in its level of credibility, capital and environmental protection. To ensure we partner with the right supplier, we evaluate their product categories, prices, financial strength and size of operation, among others. The evaluation also ensures that their capabilities in R&D, production management, corporate social responsibility and quality management systems can reach industry standards, including ISO international standards.



To ensure that our suppliers follow our standards, we conduct field audits, performance statistics and summary based on the contract period and past performance of suppliers. The “QC Standards Management Measures” was also developed to assist our suppliers’ sustainable development. By standardizing the training agenda and operational standards of our suppliers, we aim to help them maintain an excellent and stable high-quality production. In response to the increasing market demand for environmental-friendly products, we have been strictly adhering to environmental protection-related regulations. A number of measures have been formulated to ensure a corresponding code on design, procurement, production and retail.

Apart from maintaining close contact with suppliers, we also host training and annual meetings with them to share our plans and discuss trends within the industry. These initiatives encouraged suppliers to produce more innovative products. The supply chain has been further improved to shorten production lead times, allowing us to timely meet consumer demand. In addition, we fully support our supply chain partners to enhance quality control and workflow efficiency, as well as improve their responsiveness to changing market conditions and demand. Consequently, the business growth outlook has been improved.



MANAGEMENT DISCUSSION AND ANALYSIS

We have strategically combined both in-house and outsourced productions to better respond to market conditions and changes in consumer preferences. In order to be more flexible in replenishing orders and to maintain our cost advantage, the efficiency of our production process has been further optimized. We have applied three major measures, namely digitalization, technological breakthroughs and material breakthroughs, to enhance various aspects such as product design, development and production, as well as effectively maintain reasonable inventory levels. During the financial period, ANTA's self-produced footwear and apparel accounted for 26.4% and 10.5% respectively out of our total sold quantities (20201H: 28.5% and 12.9%). FILA's self-produced footwear and apparel accounted for 23.5% and 3.9% out of our total sold quantities (20201H: 33.2% and 3.4%).

Product Management

Technological innovation, original design and product safety have been the keys to our product differentiation. We believe that with our continuous investment in product innovation, we can achieve the sustainable and healthy growth of our business. Given the increasing spending power of Generation Z, we targeted at gaining a better understanding of the younger demographics in order to continue our growth in the market. To this end, we set up a sports science laboratory in Jinjiang, China with a design team consisting of talented designers across the world, including the US, Japan and Korea, among others, to enhance the R&D of sportswear products. Apart from our own sports laboratory, we co-established

a joint research center with Tsinghua University during the financial period, in order to achieve major breakthroughs in the future development of the sportswear industry, as well as to help Chinese sports brands drive growth and achieve global recognition via the integration of innovation in sports technology R&D and market transformation.

In this highly competitive industry, the key to strengthening market share is to design and manufacture comfortable, safe and high-quality sportswear products for consumers. We strive to

maintain a high quality of production management and quality control systems that are in line with industry standards. Our business partners were selected through an extensive set of evaluation criteria, we monitor the operation through regular on-site inspections and performance management, and all our partners are required to acquire certifications in manufacturing and quality management systems, thus attaining ISO international standards. We also look for suppliers who already have an established R&D laboratory which can co-develop new materials for innovative products.





With our dedication to providing high quality products, we strictly control the quality standard of all our products, to ensure we deliver perfect products to consumers. If products with quality or safety defects are discovered after shipment, we will strictly follow the “Product Recall Management Policy” to recall the products and ensure that they are handled properly, significantly reducing the negative impact of selling defective products.



MANAGEMENT DISCUSSION AND ANALYSIS

E-commerce Business and Digitalization

The e-commerce business become more significant after the Pandemic, resulting in a profound change on consumer habit and a new consumption trend. Therefore, we continuously invested in the e-commerce business and digitalization. We sped up our e-commerce plan and ensured the online strategies and operational standards of each brand. Meanwhile, we have established an independent online business organizational structure as well as a series of marketing campaigns. Consequently, the e-commerce business during the financial period contributed 27% (20201H: 26%) of the overall revenue to the Group, and increased by 61% as compared to the same period of 2020 in terms of absolute amount, maintained a strong growth despite last year's high base effects.

In response to this trend, we will continue to invest heavily in digitalization to improve our e-commerce business model. We strengthened the operations and content of our official e-commerce platforms in order to optimize the consumer's experiences as well as build their loyalty. We continued to enhance the membership system to ensure the diversification of sales platforms. On the other hand, we continued to utilize the traditional e-commerce platforms including T-mall, JD.com, Pinduoduo and VIP.com while beginning to expand our own e-commerce platforms so as to promote the integration of online and offline channels. In addition, we have fine-tuned the mix of the exclusive online products and in-season

products among various e-commerce channels to optimize the merchandise selection mechanism. During the "6.18" Shopping Festival, our brands achieved outstanding results in the ranking in various online platforms.

While the Pandemic was a challenge, it was also an opportunity for reform. Through unified management of traditional platforms, official websites, mini-programs and offline stores, we optimized the VIP membership program for each brand and implemented precise user mapping, in order to understand their characteristics and provide better services to each of the consumer. Meanwhile, we leveraged our advantages and experiences gained from retail business among various channel to facilitate better cooperation among internal business units and improved operation efficiency. Our digitalization program enhanced our intelligent inventory replenishment system. By improving the flexibility of our supply chain capabilities, we established a quick-response model for brands, which allowed us to swiftly replenish the best-selling products so as to better monitor the inventory level at the store level.

E-commerce business was not only one of the sales channels, but also a platform to interact with consumers. We have also utilized different social media channels to provide distinct experiences for consumers and strengthened our interaction with consumers through a series of marketing campaigns. On the other hand, leveraging the visitor volume by social media, we drove the consumer's desire to buy through different activities. During the financial period, we fully



upgraded our business in private domain traffic and enhance the synergy of O2O business. Through innovative marketing strategies like engaging live webcast at store and Key Opinion Leader, all of them drove up our sales volume successfully. Meanwhile, we made good use of our data analysis and data-driven marketing, together with very competitive products and constantly effective marketing strategies, leading to successfully consumer attraction.

Human Resources Management

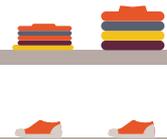
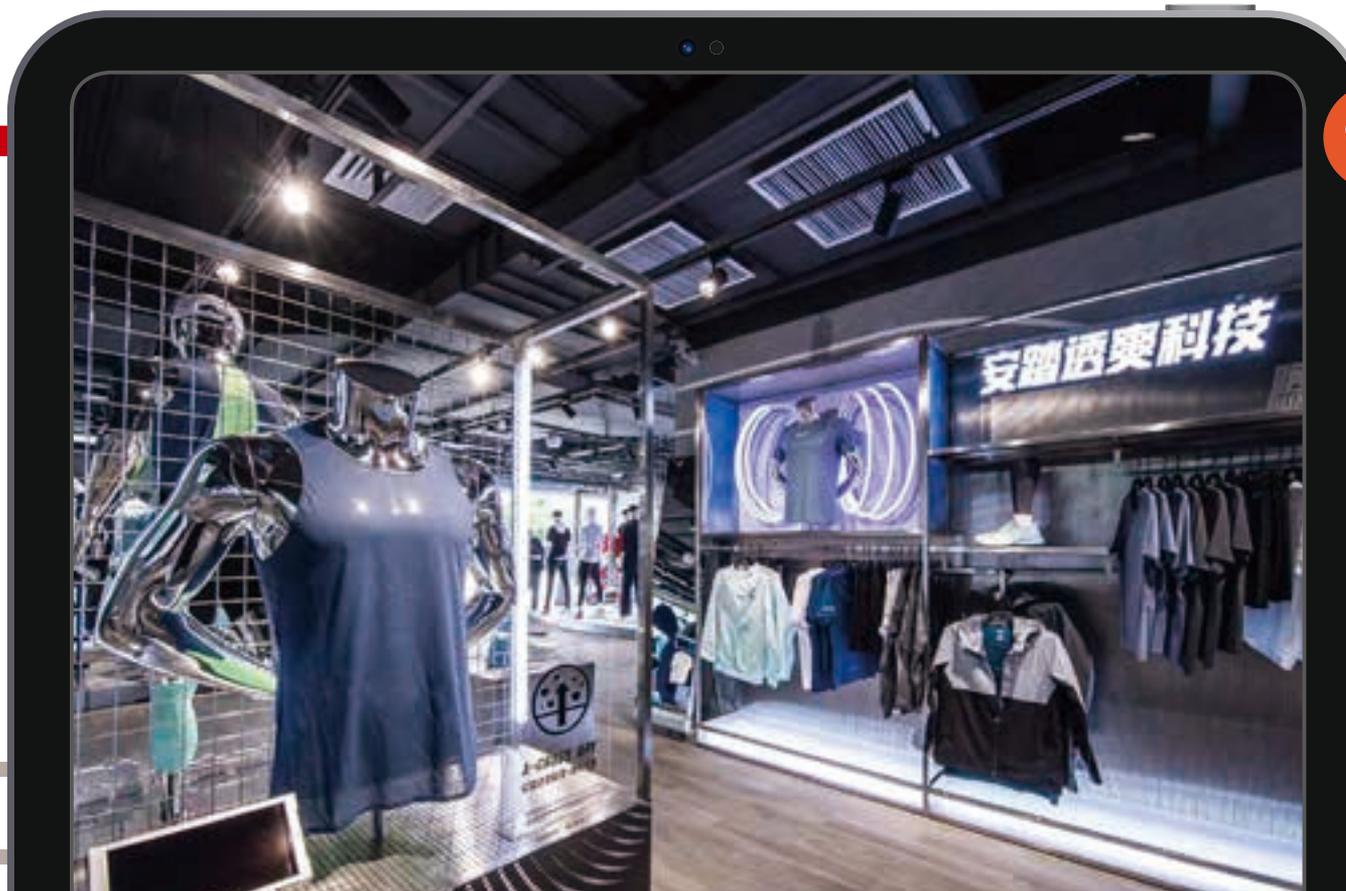
The cornerstone of our success is the joint efforts, safety and well-being of our employees, which is crucial to our operational efficiency and corporate reputation. We have a distinct organizational structure, emphasizing the training and development of our employees as well as their compatibility of job positions, which allow them to contribute their strengths. We are committed to complying with all relevant rules and regulations in order to establish a safe and welcoming work environment, to ensure our steady and progressive long-term development. We are also dedicated to establishing businesses that benefit both employees and employers, as

well as encouraging our employees to uncover their own sense of self-worth.

As our sector is highly labor-intensive, protecting our employees against infection during the Pandemic has been the top priority. We have been keeping a close eye on the latest developments and have put in place suitable disease prevention measures based on government and expert recommendations. We also provided all employees with suitable epidemic prevention equipment and established relevant work guidelines to ensure that everyone were aware of the requirements.

In addition, we offer our frontline employees with more competitive remuneration than our peers,

strive to promote a positive company culture, and maintain good communication with the employees. We also encourage employees to uphold the spirits of learning from the leaders and “Benchmarking with High Standard” in order to unlock their potential. To strengthen our employees’ abilities, we also give appropriate skill training based on the needs of various roles. We require employees to participate in regular assessments, making sure that they master the required skills. We also value the needs of our employee’s family roles and try our best to coordinate and make appropriate arrangements according to their needs. As of 30 June 2021, we had approximately 47,000 employees (By the end of 2020: 41,000 employees).





Kōki,
an international renowned model

MANAGEMENT DISCUSSION AND ANALYSIS

Internal Management

Legal Compliance

Based on the best knowledge of Directors and management, we are not aware of any non-compliance of laws and regulations, which will have a significant impact on the Group.

Relationship with Stakeholders

Good corporate governance mechanisms help building stable relationships with our suppliers, distributors, franchisees, customers, shareholders and other stakeholders. Through various communication methods, we collect opinions and advices from stakeholders, which provide considerable benefits to our business. Maintaining relationship with our stakeholders is not only a valuable intangible asset to us, but also helps all parties to comply with our code of business ethics, achieving win-win outcomes.

Our Existing Environmental Protection Measures

We understand that the environment has a long lasting impact on our future development. Meanwhile, we have undertaken several measures like upgrading facilities and adopting clean energy as well as improving our administrative management. For example, factories are

encouraged to utilize energy-saving lightings and standardize the use of air conditioning to reduce energy consumption and carbon emission.

Besides complying with relevant environmental laws and regulations, we launched “ANTA Grand Forum” to serve as a communication platform for employees to share and exchange their ideas on environmental protection. More importantly, we continue to strengthen our product innovation capability by actively exploring eco-friendly materials for our products series.

Principal Risks and Uncertainties Facing the Group

Foreign Exchange Risk

While most of the Group’s businesses are denominated in RMB, offshore businesses are denominated in other currencies, which could result in other currencies payments, receipts and balances with debtors and creditors. Currently, the RMB is a managed floating currency which is adjusted by reference to a basket of global currencies. The conversion ratio of RMB into other currency is subject to fluctuations in the market and is driven by events in the global economy. Changes in foreign exchange rates affect the value of the Group’s assets, debts, income and expenses which are denominated in other currencies, leading to impacts to the Group’s financial position and performance.

Operational Risks

Risks under Intensified Market Competition

Increasingly tensed competition in the domestic sportswear industry is resulted by the expanding scale and continuous concentration of the industry, and the expansion of international clothing brands across China. The nature of this competition has shifted from a focus on quantity and price to new attributes such as state-of-the-art technology and product ranges that add value. Although we have maintained our dominant position in the China sportswear market, we acknowledge that intensified market competition may impact our future revenue and profitability to a certain degree.

Risks from Counterfeit Brands

Brand is a key consideration that consumers take into account when purchasing sportswear products. There are a number of unscrupulous manufacturers that counterfeit well-known brands and sell them illegally, which has an adverse impact on the brands they replicate. As our sportswear products and brands are well-regarded in the domestic market, we have proactively adopted a number of different safeguards to protect our independent intellectual property rights, but it is difficult to identify every infringement of our brand immediately. If our

MANAGEMENT DISCUSSION AND ANALYSIS

products were counterfeited on a mass scale in the future, there would be adverse impact on our brand image and profitability.

Production Safety Hazards

Due to the particularity of the sporting goods manufacturing industry, the fire prevention is especially important. The glue we use during the production process and semi-finished products and finished products are flammable, and a fire would affect production directly and have negative impact to our operations.

Risks under Increased Sales Channel Costs

We adopt a hybrid business model combining wholesale and retail to sell our products. Should retail shop rents and staff costs increase, profits of the Group, distributors and franchisees would be reduced.

Product Development Risks

We focus on the branded sportswear business of functional and fashionable products. Consumer preferences for fabrics and clothing styles change at a rapid pace and our ability to adapt to these preferences will affect the sales performance.

Risks Caused by Economic Cycle Volatility and Weakened Downstream Demand

The sportswear industry is vulnerable to volatile economic cycles. Previously a downturn in domestic and international economies weakened the retail market environment and forced consumers to spend less, which led the traditional apparel industry to be generally weaker with lower sales. If this volatile economic cycle persists and leads to continued sluggish downstream consumer demand, it would have an adverse impact on our operations.

Risks of Cross-region Operation

In different regional markets, various consumer groups' purchasing power and consuming preference are different. Currently, the Group's business locates in multiple areas in China as well as some overseas markets. Moreover, the Group's business is also under fast, steady and healthy development. The cross- region operation and business development brings in higher requirements on the Group's existing organizational model and managerial system. Therefore, possible internal management risks could exist.

Force Majeure Risks

In case of an uncontrollable change of market and external environment (for instance, a potential natural disaster, an epidemic of category A or category B infectious diseases which impact the province-level regions, as well as political and economic issues in China and foreign countries), the Group may not be able to obtain sufficient capital. This could possibly affect the remitting of sufficient repayment for all borrowings on time.

Management Risk

Managerial Risks of Subsidiaries

Over the years, the Group has conducted strict management and control of its subsidiaries and branch companies in various aspects, including manufacturing, operation, sales, human resources, finance etc. However, the fast development of the Group's businesses and the continuous expansion of its asset scale bring in higher requirements on the Group's organizational model and managerial system. This has increased the difficulties to a certain degree in terms of the Group's organizational coordination and operational management. Therefore, possible internal management risks could exist.

Risks of Brand Reputation

Although the Group has established a complete internal control system as well as product quality and safety management system, in order to facilitate full control of risk and product quality across the full process, there are various factors affecting the product quality. Any mismanagement or loopholes in the process of quality monitoring and procedure control could lead to product quality problems that might not satisfy consumer's need. In this case, the Group's brand image, product sales and operational results could be affected.

Supplier Management Risks

Despite our strict selection mechanisms and quality control system, our business may be affected by numerous different factors relating to our suppliers, including the quality of raw materials provided, the status of product deliveries, transportation capabilities and management capabilities, among others. Cases

where the quality of raw materials fails to meet our standards; quality inspection departments are not able to identify defective products in time; products are not delivered on time, to the right location or in the right quantity; and products are lost or damaged during delivery, would all have adverse impacts on our operations. Furthermore, our operation will also be adversely affected by suppliers' poor cash condition or credit deterioration.

Risks from Talent Shortage and Loss of Talent

The promotion of our brands in the industry, the digitalization upgrade and the optimization of our supply chain requires many talented employees who specialize in product planning, product design, information management and supply chain management. However, there is a shortage of relevant professional talents in China, and a large scale loss of those kinds of talents in the future would negatively impact our operations.

Risks from Product Transportation Management

We primarily rely on third-party logistics companies to transport our products, and because there are a number of logistics companies that we work with, there is a certain degree of difficulty in terms of management. If products were damaged due to negligence or mistakes of any logistics companies, resulting in any delay or defect on supply of certain products, our operations would be adversely affected. Should any accidents occur, such as traffic accidents, natural disasters or strikes, among other issues, the supply of our products may be temporarily interrupted, meaning that we would not be able to deliver products to our distributors in time. This would have a negative impact on our operations.

A photograph of actor Chen Kun in an outdoor setting. He is wearing a white hooded jacket with a blue vest over it. He is holding a silver metal cup with both hands. The background shows a tent and some greenery. The image has a red border.

Chen Kun,
a renowned Chinese actor

Financial Review

Revenue

Breakdown by Product Category

The following table sets out the Group's revenue by product category for the financial period:

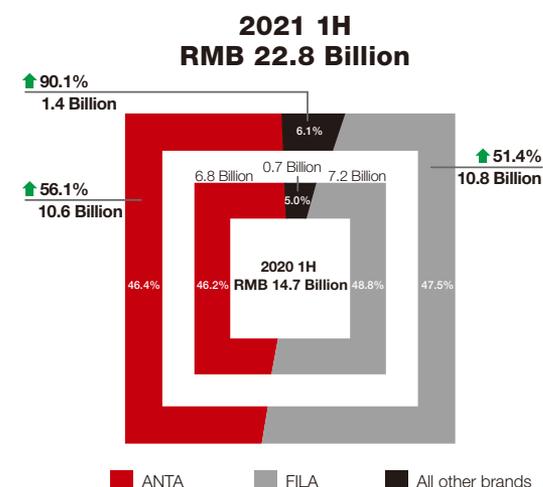
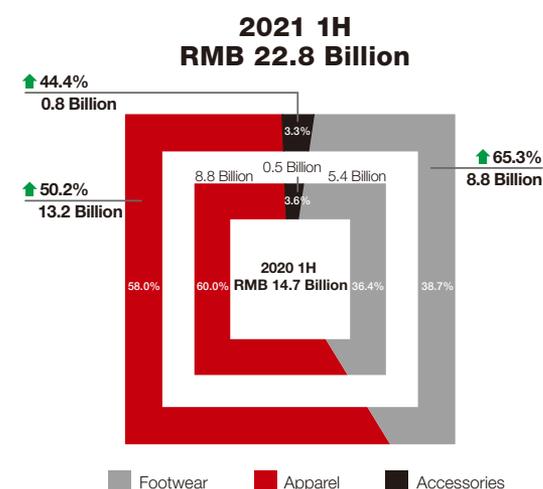
	Six months ended 30 June				
	2021		2020		Changes
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)	(%)
Footwear	8,834	38.7	5,344	36.4	↑ 65.3
Apparel	13,230	58.0	8,807	60.0	↑ 50.2
Accessories	748	3.3	518	3.6	↑ 44.4
Overall	22,812	100.0	14,669	100.0	↑ 55.5

Breakdown by Segment

The following table sets out the Group's revenue by segment for the financial period:

	Six months ended 30 June				
	2021		2020		Changes
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)	(%)
ANTA	10,578	46.4	6,777	46.2	↑ 56.1
FILA	10,827	47.5	7,152	48.8	↑ 51.4
All other brands	1,407	6.1	740	5.0	↑ 90.1
Overall	22,812	100.0	14,669	100.0	↑ 55.5

During the financial period, the Group's revenue increased by 55.5% as compared with the same period of 2020 to RMB22,812 million (20201H: RMB14,669 million). In the first half of 2020, sales of the Group was affected by the Pandemic. During the financial period, as the impact of the Pandemic to the retail market in Mainland China was largely reduced, revenue of ANTA segment, FILA segment and other brands recorded a strong rebound as compared to the same period of 2020.



MANAGEMENT DISCUSSION AND ANALYSIS

Revenue (Continued)

ANTA segment contributed 46.4% of the overall revenue to the Group, the segment revenue increased by 56.1% as compared with the same period of 2020 to RMB10,578 million (20201H: RMB6,777 million). The increase in ANTA segment revenue was mainly attributable to (i) growth of e-commerce business; (ii) increase in revenue as a result of the adoption of the DTC model; and (iii) better Mainland China retail market performance of the brand with more customer demand and less retail discount as a result of the reduced impact of the Pandemic.

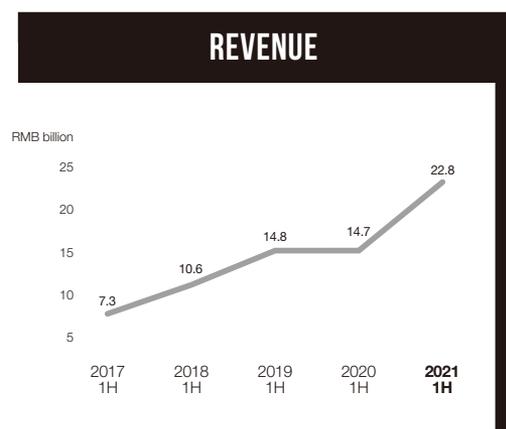
The following table sets out the ANTA brand's revenue by business model for the financial period:

Six months ended 30 June					
	2021		2020		Changes (%)
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)	
DTC	3,703	35.0	–	–	N/A
E-commerce	3,609	34.1	2,118	31.3	↑ 70.4
Traditional wholesale and others	3,266	30.9	4,659	68.7	↓ 29.9
Overall	10,578	100.0	6,777	100.0	↑ 56.1

FILA segment also contributed 47.5% of the overall revenue to the Group, the segment revenue increased by 51.4% as compared with the same period of 2020 to RMB10,827 million (20201H: RMB7,152 million). The growth of FILA segment revenue was mainly attributable to (i) growth of e-commerce business; and (ii) better Mainland China retail market performance of the brand with more customer demand and less retail discount as a result of the reduced impact of the Pandemic.

Revenue of all other brands increased by 90.1% as compared with the same period of 2020 to RMB1,407 million (20201H: RMB740 million). The increase was driven by the businesses of DESCENTE and KOLON SPORT.

The e-commerce business contributed 27% (20201H: 26%) of the overall revenue to the Group, and increased by 61% as compared to the same period of 2020 in terms of absolute amount.

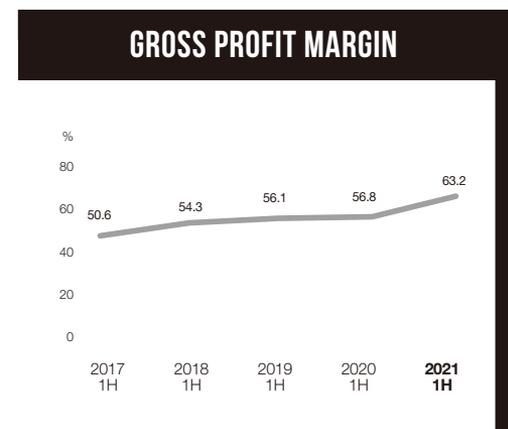


Gross Profit and Gross Profit Margin

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				
	2021		2020		Changes
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	
	(RMB million)	(%)	(RMB million)	(%)	(% point)
Footwear	5,173	58.6	2,754	51.5	↑ 7.1
Apparel	8,811	66.6	5,334	60.6	↑ 6.0
Accessories	424	56.7	251	48.5	↑ 8.2
Overall	14,408	63.2	8,339	56.8	↑ 6.4



Breakdown by Segment

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

	Six months ended 30 June				
	2021		2020		Changes
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	
	(RMB million)	(%)	(RMB million)	(%)	(% point)
ANTA	5,587	52.8	2,822	41.6	↑ 11.2
FILA	7,830	72.3	5,040	70.5	↑ 1.8
All other brands	991	70.4	477	64.5	↑ 5.9
Overall	14,408	63.2	8,339	56.8	↑ 6.4

During the financial period, the Group's overall gross profit margin increased by 6.4% point as compared with the same period of 2020 to 63.2% (2020 1H: 56.8%). The increase in overall gross profit margin was contributed by all brands as a result of the recovery of the Pandemic in the Mainland China.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin (Continued)

ANTA segment gross profit margin increased by 11.2% point as compared with the same period of 2020 to 52.8% (20201H: 41.6%). The increase in gross profit margin was mainly attributable to (i) relatively higher business gross profit margin under the DTC model; and (ii) better retail discount condition at store and e-commerce levels as a result of the recovery of the Pandemic in the Mainland China.

FILA segment gross profit margin increased by 1.8% point as compared with the same period of 2020 to 72.3% (20201H: 70.5%). The increase in gross profit margin was mainly attributable to better retail discount condition at store and e-commerce levels as a result of the recovery of the Pandemic in the Mainland China.

Other Net Income

Other net income for the financial period amounted to RMB339 million (20201H: RMB710 million), which mainly comprised of government grants of RMB277 million (20201H: RMB668 million). The government grants were provided to the Group in recognition of its contribution towards the local economic development.

Operating Expenses Ratios

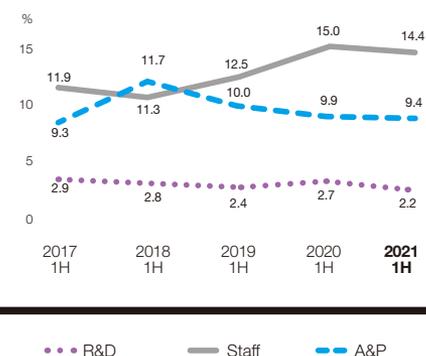
The ratio of advertising and promotional expenses to revenue decreased by 0.5% point for the financial period mainly due to the notable growth in overall revenue. In terms of absolute amount, more expenditures in advertising

and promotional activities (including those for the Tokyo 2020 Olympic Summer Games originally held in 2020) and big store opening and renovation plans after the Pandemic were incurred during the financial period. The ratio of staff costs to revenue decreased by 0.6% point mainly due to the notable growth in overall revenue, in spite of the fact that (i) temporary suspension of new staff recruitment and salary review in February 2020 under the impact of the Pandemic resumed in the second half of 2020; and (ii) increase in staff headcount as a result of the DTC model transformation for ANTA business and expansion of retail business of FILA and other brands, leading to the increase in overall staff costs in terms of absolute amount. The ratio of R&D costs to revenue decreased by 0.5% point due to the notable growth in overall revenue, in spite of the increase in expenditure in terms of absolute amount reflecting the fact that the Group continues to enhance its overall R&D capability.

Write-down of Inventories

Inventories are stated at cost or net realizable value, whichever is lower. In the event that net realizable value falls below cost, the difference is taken as write-down of inventories and charged to profit or loss. During the financial period, write-down of inventories amounting to RMB202 million was charged to profit or loss (20201H: RMB84 million). The increase in write-down of inventories was mainly arising from the write down of: (i) stocks of 2020 Spring/Summer products on hand, which the sales was adversely affected under the Pandemic in 2020; (ii) off-season stocks resulted from the DTC model transformation in second half of 2020.

OPERATING EXPENSES RATIOS



Impairment Loss of Trade Receivables

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses ("ECLs"). ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions. During the financial period, reversal of impairment loss of trade receivables amounting to RMB18 million was credited to profit or loss (20201H: impairment loss for trade receivables amounting to RMB41 million was charged to profit or loss). The flexibility on credit period provided to distributors in the first half of 2020 was gradually reduced after the Pandemic. As such, the ECLs on trade receivables as at the end of the financial period decreased as compared to the same as at 31 December 2020, resulting in the reversal of impairment.

Operating Profit and Operating Profit Margin

The following table sets out the operating profit and operating profit margin by segment for the financial period:

Six months ended 30 June					
	2021		2020		Changes
	Operating profit (RMB million)	Operating profit margin (%)	Operating profit/(loss) (RMB million)	Operating profit margin (%)	Operating profit margin (% point)
ANTA	2,447	23.1	1,858	27.4	↓ 4.3
FILA	3,143	29.0	1,766	24.7	↑ 4.3
All other brands	295	21.0	19	2.6	↑ 18.4
	5,885	25.8	3,643	24.8	↑ 1.0
Headquarter and unallocated items	20	N/A	(39)	N/A	N/A
Overall	5,905	25.9	3,604	24.6	↑ 1.3

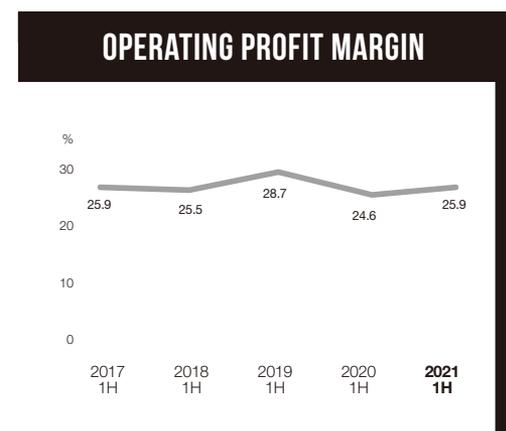
Remarks: Certain classifications have been changed to reflect the change of information reported internally to the chief operating decision markers. Certain comparative figures have been restated to conform to the current period's presentation.

During the financial period, the Group's overall operating profit margin increased by 1.3% point as compared with the same period of 2020 to 25.9% (20201H: 24.6%). The increase in overall operating profit margin was mainly attributable to (i) 6.4% point increase in overall gross profit margin of the Group; and (ii) better operating efficiency arising from the relatively faster expansion of retail business of FILA and other brands; while was partially offset by the increase in operating expenses to revenue ratio after the adoption of DTC model in the second half of 2020 with store level lease expenses and staff costs increased for ANTA business.

ANTA segment operating profit margin decreased by 4.3% point as compared with the

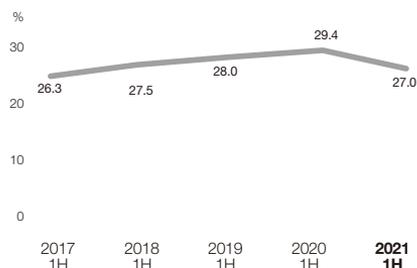
same period of 2020 to 23.1% (20201H: 27.4%). The decrease in operating profit margin was mainly attributable to, among others, increase in operating expenses to revenue ratio after the adoption of DTC model in the second half of 2020 with store level lease expenses and staff costs increased; while was partially offset by the 11.2% point increase in gross profit margin.

FILA segment operating profit margin increased by 4.3% point as compared to the same period of 2020 to 29.0% (20201H: 24.7%). The increase in operating profit margin was mainly attributable to (i) 1.8% point increase in gross profit margin; and (ii) better operating efficiency arising from the fast expansion of its retail business.

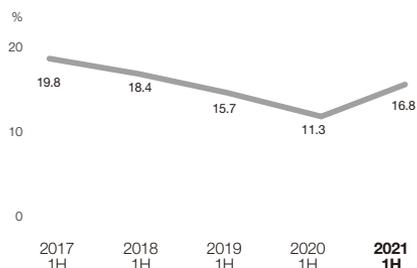


MANAGEMENT DISCUSSION AND ANALYSIS

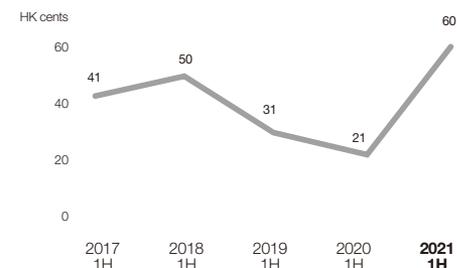
EFFECTIVE TAX RATE



MARGIN OF PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS



INTERIM DIVIDEND PER ORDINARY SHARE



Net Finance Costs

Total interest income for the financial period amounted to RMB184 million (20201H: RMB134 million). The increase in interest income was mainly driven by the increase in average bank deposit balances as compared with the same period of 2020, reflecting the Group's effective treasury management.

Total interest expenses (excluding interest expense on lease liabilities) amounted to RMB109 million (20201H: RMB142 million) for the financial period. The decrease in interest expenses was mainly driven by the net repayment of bank loans and bills of exchange.

Interest expense on lease liabilities under applicable financial reporting standards amounting to RMB112 million was incurred during the financial period (20201H: RMB58 million).

Effective Tax Rate

Effective tax rate (excluding the effect of share of loss of a joint venture) was 27.0% for the

financial period (20201H: 29.4%). The decrease in effective tax rate was mainly due to decrease of impact of non-deductible expenses in relation to interest expenses arising from offshore items relative to the overall profit before taxation.

Margin of Profit Attributable to Equity Shareholders

Margin of profit attributable to equity shareholders increased by 5.5% point to 16.8% for the financial period. It was mainly attributable to (i) 1.3% point increase in operating profit margin; (ii) increase in net finance income; (iii) decrease in share of loss of a joint venture; and (iv) decrease in effective tax rate.

Dividends

The Board has declared an interim dividend of HK60 cents per ordinary share in respect of the financial period, representing a payout of RMB1,360 million (20201H: RMB501 million), or a distribution of 35.4% (20201H: 30.2%) of the current period's profit attributable to equity shareholders.

Liquidity and Financial Resources

As at 30 June 2021, the cash and cash equivalents of the Group amounted to RMB16,245 million which were mainly denominated in RMB, USD, HKD and EUR, representing an increase of RMB922 million as compared with the cash and cash equivalents of RMB15,323 million as at 31 December 2020. The change was mainly attributable to:

- Net cash inflow from operating activities amounted to RMB6,313 million, which was more than the profit for the period (excluding the effect of share of loss of a joint venture) and represented the strong cash generation capability of the Group.
- Net cash outflow from investing activities amounted to RMB1,207 million, mainly including capital expenditures of RMB458 million, net placements of fixed deposits held at banks with maturity over three months of RMB1,077 million and net proceeds from other investments of RMB270 million.

- Net cash outflow from financing activities amounted to RMB4,206 million, mainly including payment of the 2020 final dividend amounting to RMB1,054 million, net repayments of bank loans amounting to RMB848 million, payments of interest expenses on bank loans amounting to RMB55 million, net repayments of bills of exchange amounting to RMB1,000 million and payment of lease liabilities amounting to RMB1,296 million.

As at 30 June 2021, total assets of the Group amounted to RMB54,193 million, of which current assets were RMB33,762 million. Total liabilities and non-controlling interests were RMB27,343 million and total equity attributable to equity shareholders of the Company amounted to RMB26,850 million.

The Group's gearing ratio was 22.5% as at 30 June 2021 (as at 31 December 2020: 27.8%), being a ratio of total borrowings to total assets. Bank loans were denominated in EUR and measured at amortized cost. All bank loans were at variable rate and majority of bank loans were repayable in 3 years. Convertible bonds (liability component) were denominated in EUR, measured at amortized cost and repayable in 4 years (subject to early redemption provision under the terms and conditions). Medium term notes were denominated in RMB, measured at amortized cost and repayable in 3 years.

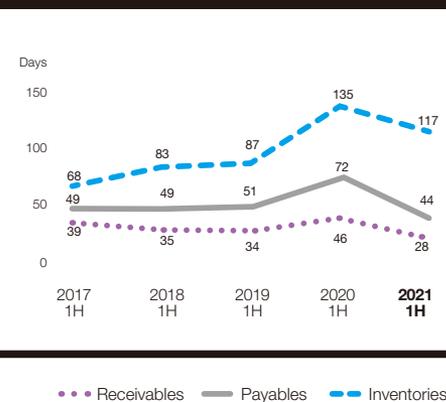
Assets/Liabilities Turnover Ratios

The average inventory turnover days decreased by 18 days due to the increase in cost of sales driven by the notable growth in overall revenue

	2021 (RMB million)	2020 (RMB million)
Six months ended 30 June		
Net operating cash inflow	6,313	2,395
Capital expenditures	(458)	(511)
Others	6	18
Free cash inflow	5,861	1,902
As at 30 June/31 December		
Cash and cash equivalents	16,245	15,323
Fixed deposits held at banks with maturity over three months	6,049	5,023
Pledged deposits	3	1
Less: borrowings		
– Bank loans	(3,781)	(4,801)
– Bills payable (financing in nature)	–	(1,000)
– Convertible bonds (liability component)	(7,356)	(7,610)
– Medium terms notes	(1,033)	(1,013)
Net cash position	10,127	5,923

under similar inventory level as at the end of the financial period as compared to the same as at 31 December 2020, in spite of the DTC model transformation of ANTA business and the expansion of retail business of FILA and other brands, reflecting the Group's effective inventory management and strong product sell-through condition. The average trade receivables turnover days decreased by 18 days due to the notable growth in overall revenue with the decreased balance of trade receivables as at the end of the financial period as compared to the same as at 31 December 2020, reflecting the Group's effective trade receivable management. The average trade payables turnover days decreased by 28 days because, given the strong cash flow condition, the Group strategically sped up payments to major suppliers to strengthen the relationships.

ASSETS/LIABILITIES TURNOVER DAYS



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2021, the Group had bank deposits of RMB3 million (as at 31 December 2020: RMB1 million) pledged as security for certain contracts.

Financial Management Policies

The Group continues to manage financial risks in a prudent manner and proactively adopts internationally recognized corporate management standards to safeguard the interests of shareholders. As the functional currencies of most non-Mainland China entities (other than the joint venture) are HKD and those financial statements in HKD are translated into RMB for reporting and consolidation purposes, foreign exchange differences arising from the translation of such financial statements are directly recognized in equity as a separate reserve. In addition, as the investment in a joint venture (and related acquisition bank loans) and the convertible bonds (liability component)

are denominated in EUR, fluctuations in the exchange rates of the EUR against RMB may have a significant impact to the Group's net assets and total comprehensive income.

Nevertheless, the management actively monitors foreign exchange rate fluctuations to ensure that its net exposure is kept to an acceptable level.

Significant Investments and Acquisitions

Investment in a Joint Venture of AS Holding

As at 30 June 2021, the Group had an investment in a joint venture of AS Holding.

Amer Sports is wholly-owned by AS Holding and is a sporting goods company with internationally recognized brands including Salomon, Arc'teryx, Peak Performance, Atomic, Suunto and Wilson etc. Its technically advanced sports equipment, footwear, apparel and accessories aim to improve performance and increase enjoyment

of sports and outdoor activities. Amer Sports' business is balanced by its broad portfolio of sports and products and presence in all major markets. A strategic growth plan was set by the investor consortium for Amer Sports to unlock the full potential of its internationally recognized sportswear and equipment brands, and the Group has strong belief in the future success of Amer Sports.

The Group accounts for AS Holding as an investment in a joint venture using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards, as decisions about certain key activities of AS Holding require the consent of directors nominated by other shareholders. Summarized consolidated financial information of AS Holding, based on the latest available information to the Company and following the accounting policies adopted by the Group, are disclosed below:

	Six months ended 30 June	
	2021	2020
	(RMB million)	(RMB million)
Revenue (Note)	7,988	5,840
EBITDA	557	(105)
Net loss	(656)	(1,365)
Other comprehensive income/(loss)	356	(55)
Total comprehensive loss	(300)	(1,420)

Note: As a result of the Disposal (as defined below), Precor Group (as defined below) was classified as a disposal group held for sale at 22 December 2020 and a discontinued operation in the AS Holding's consolidated financial statements. In accordance with the applicable financial reporting standards, the comparative information for the six month ended 30 June 2020 in AS Holding's consolidated financial statements has been re-presented as if the Precor Group and other relevant operations had been classified as discontinued operations at 1 January 2020.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)	Six months ended 30 June	
	2021	2020
	(RMB million)	(RMB million)
Net loss	(656)	(1,365)
Depreciation and amortisation	747	882
Interest income	(5)	(2)
Interest expense	520	510
Income tax credit	(49)	(130)
EBITDA	557	(105)

	As at	As at
	30 June	31 December
	2021	2020
	(RMB million)	(RMB million)
Total assets	51,990	57,651
Total liabilities	(34,677)	(39,324)
Total equity	17,313	18,327

During the financial period, EBITDA (on a consolidated basis) of RMB557 million on AS Holding were recorded, reflecting the healthy profit generating capability at operation level of the joint venture under the strategic growth plan set by the investor consortium.

At 30 June 2021, the Group effectively held 526,962 shares or 52.70% interest in AS Holding. The carrying amount of the investment in the joint venture was RMB9,123 million, representing 17% of the total assets of the Group.

Disposal of Precor Brand Business by a Joint Venture

On 22 December 2020 (Hong Kong time) (21 December 2020 New York time), Amer Sports and Peloton Interactive, Inc (the “Purchaser”) entered into a stock and asset purchase

agreement (the “Stock and Asset Purchase Agreement”), pursuant to which Amer Sports has agreed to sell, and the Purchaser has agreed to purchase, (i) 100% of the issued share capital in each of the target companies (and their respective wholly-owned subsidiaries engaging in Precor brand business, collectively “Precor Group”) and (ii) any and all intellectual property related to the business of the Precor Group (“Precor Intellectual Property”) for an aggregate consideration of USD420 million (equivalent to approximately RMB2,779 million) in cash, subject to a number of customary adjustments in accordance with the terms and conditions thereof (the “Disposal”). The Purchaser is a company incorporated in Delaware and is listed on the NASDAQ Stock Exchange (NASDAQ code: PTON) and an independent third party to the Company. It is a leading interactive fitness platform principally engaged in the provision of a

subscription platform for the streaming of digital fitness and wellness content.

The Board considered that the Disposal and the terms of the Stock and Asset Purchase Agreement, including the consideration, were entered into on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Disposal was completed during the financial period.

For further details of the Disposal, please refer to the announcement of the Company dated 22 December 2020.

Saved as disclosed above, during the financial period, the Group made no significant investment or material acquisition or disposal of subsidiary.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Financing

Zero Coupon EUR1 Billion Convertible Bond Due 2025 Issue

On 5 February 2020, the Group issued zero coupon convertible bonds due 2025 in the aggregate principal amount of EUR1 billion (the “Bond Issue”), which were listed on the Singapore Stock Exchange. The issue price was 100.25% of the principal amount of the convertible bonds. The convertible bonds may be converted into ordinary shares of the Company pursuant to its terms and conditions.

As of 30 June 2021, an aggregate principal amount of EUR1 billion of the convertible bonds was outstanding and, based on the latest conversion price per conversion share of HKD104.05 effective from 13 May 2021, would be convertible into 83,100,432 conversion shares.

During the financial period, EUR245 million (equivalent to RMB1,902 million) of the net proceeds from the Bond Issue were used. As of

30 June 2021, the unutilized net proceeds were EUR399 million (equivalent to RMB3,065 million).

For further details for the Bond Issue, please refer to the announcements of the Company dated 14 January 2020 and 5 February 2020.

Saved as disclosed above, during the financial period, the Group made no significant financing.

Capital Commitments, Contingencies and Guarantee

Capital Commitments

As at 30 June 2021, the Group had capital commitments of RMB2,210 million, primarily relating to construction of Shanghai ANTA Centre and renovation of a new office building in Xiamen and retail stores.

Contingencies

The Group is not involved in any material legal proceedings, nor are there any pending or potential material legal proceedings involving the Group.

Guarantee

A 5-year EUR1,300 million (equivalent to RMB9,985 million) term loan facility (“Facility A”) was provided by independent third party bank lenders to AS Holding for the purpose of, among others, (i) funding the settlement of the tender offer and the purchase of the shares of Amer Sports; and/or (ii) refinancing of any indebtedness of Amer Sports in connection with the acquisition of shares of Amer Sports. The Company has guaranteed the full and punctual performance of any and all obligations and undertakings of AS Holding to the arrangers, the lenders and the agent in connection with, and for all amounts which may become due and payable under, the aforesaid loan facilities. As at 30 June 2021, Facility A has been fully drawn by AS Holding.

Saved as disclosed above, as at 30 June 2021, the Group did not provide any form of guarantee for any company outside the Group.

Intended use of proceeds	Initial intended allocation (EUR million)	Utilized amount for the year ended 31 December 2020 (EUR million)	Unutilized amount as at 31 December 2020 (EUR million)	Utilized amount for the six months ended 30 June 2021 (EUR million)	Unutilized amount as at 30 June 2021 (EUR million)	Expected timeline for utilizing the remaining proceeds
<i>Zero Coupon EUR1 Billion Convertible Bond Due 2025</i>						
Refinancing of existing debts	600	(358)	242	(109)	133	Before 31 December 2022
Working capital and other general corporate purposes	402	–	402	(136)	266	Before 31 December 2022
	1,002	(358)	644	(245)	399	

Prospects

It has been more than a year since the outbreak of the Pandemic, which has claimed millions of lives, battered the global economy and disrupted daily life, it also brought uncertainties to the full recovery. No matter how severe the external environment is, our clear strategic thinking, core competitiveness and ability to win will lead us on a path of robust growth in the future.

The Development Potential Brings Huge Opportunity to the Sportswear Industry

2021 will continue to be an unusual year under the backdrop of the ongoing Pandemic. The Pandemic also prompts the importance of health and encourages the public to be more health conscious. Moreover, the Chinese government also strives to promote the well-being and health care. In the State Council's renewed *National Fitness Plan for 2021-2025*, China has set to raise regular sports participants to 38.5% of total population in 2025 by building over 2,000 sports parks, public fitness centres and stadiums. It also reiterates the target of 300 million participants in winter sports. Moreover, the plan expects the sports industry scale to reach RMB5 trillion by 2025, comparing to RMB3 trillion in 2020, a CAGR of 11%. The market generally believes that the sportswear market should enter another golden era in the future. In addition, China has changed its family planning policy while encouraging families to have three children. With the implementation of the Three-child policy, the kidswear market is expected to become another sweet spot for sportswear brands.

Specifically, leading sportswear brands with stronger foundations should be able to gain more market share compare to the smaller players. Over



the years of development, Chinese consumers are not only looking for good quality sportswear products, but also demanding differentiated products to fulfill their distinctive needs. Meanwhile, the Chinese brands is gaining popularity due to the rise of “Guochao”. We, as a multi-brand group that owns various leading brands in both mass market and high-end market, will continue to develop good quality products fulfilling the consumer demands in various age groups and income level.

ANTA Sports Upholds a Clear Strategy to Maintain High-quality Growth

We are committed to upholding our clear strategic thinking to prepare for the challenges and opportunities ahead, and continue to implement the “Single-focus, Multi-brand, Omni-channel” strategy, which has been proven to be successful. Our capability on new brands incubation and

MANAGEMENT DISCUSSION AND ANALYSIS

multi-brand management enable us to penetrate into various market segments in China effectively. We continue to ride on our three brand groups, namely Performance Sports Group, Fashion Sports Group and Outdoor Sports Group, to implement our multi-brand strategy. Each brand group will continue to develop according to the different stages of its growth curve, becoming the growth drivers of our sustainable growth.

Apart from the three brand groups, we will also strengthen the operational efficiency of the three platforms, namely supply chain platform, retail management platform and digitalization platform, to empower the growth of each brand and bring synergy to the multi-brand portfolio. With our capabilities in multi-brand management, we will continue to be “Consumer-centric” and commit to achieving “High-quality Growth”.

Three Brand Groups to Facilitate our Multi-layer Business Growth

Performance Sports Group with ANTA and ANTA KIDS as the core, has announced the ‘Lead to Win’ acceleration plan to achieve its 5-year strategic targets in July. In order to bolster the leading position in China’s sportswear market, ANTA will focus on two core strategies of ‘Rooted in and Known for Performance Sport’ and ‘Brand Transformation and Growth’, that comes with clear action plans on eight focuses in the coming 24 months. Meanwhile, riding on the opportunities of the “Two Olympics”, namely Tokyo 2020 Olympic Summer Games and Beijing 2022 Olympic and Paralympic Winter Games, ANTA rolled out the brand slogan of “Sports for life, ANTA for China”, to highlight ANTA’s sporting spirit, build a professional sports brand image,

and promote the development of sports in China.

For Fashion Sports Group, we will boost FILA brand’s top-tier resources to raise our brand attractiveness. In terms of the products, we will further explore cooperation opportunities with international brands to enrich product lines. We will continue to enhance the proportion of footwear products by optimizing the R&D capability. Furthermore, we will launch a series of events to celebrate FILA brand’s 110-year anniversary, which is expected to improve the brand reputation. Together with FILA KIDS and FILA FUSION, FILA’s business will grasp more opportunities by penetrating wider range of age groups and expanding our target customers from single customer to whole family.

We will leverage DESCENTE and KOLON SPORT in our Outdoor Sports Group to capture the massive opportunities in the winter sports and outdoor market and strengthen our high-end positioning for both brands. In addition, we will enhance the consumer’s experience by upgrading our services through D-MOVER CLUB and KOLON ROAD LAB to interact with the consumers. We will also enhance our capability in retail operation, by opening flagship stores and investing further in our e-commerce business. We will focus on providing differentiated experience and achieving sustainable growth rather than just targeting absolute growth rate.

Deepen Digitalization to Drive E-commerce Penetration and Store Efficiency Optimization

Digital transformation is one of the key elements to drive sustainable growth in the future. We will further optimize the digital transformation with the aim of enhancing overall operation efficiency. We will continue to focus on the website upgrade project of various brands, product intelligence, membership enhancement, and target to establish a middle platform through the integration of O2O business.

Meanwhile, the Pandemic becomes the new norm for people’s daily life, we have to learn how to live with the situation. We will continue to implement “Dynamic Management “ to drive “High-quality Growth”. In the long-term, we will focus on store efficiency optimization, online penetration, and strive to maintain relatively stable store numbers. By the end of 2021, we expect the total number of ANTA stores (including ANTA KIDS standalone stores) in Mainland China and foreign countries to reach 9,800-9,900, and the total number of FILA stores (including FILA KIDS and FILA FUSION standalone stores) in Mainland China, Hong Kong, Macao and Singapore to reach 2,050-2,150. Meanwhile, DESCENTE will penetrate deeper into first- and second-tier cities, with a focus on opening big stores in prime locations. We expect to have 190-200 stores in Mainland China and Hong Kong by the end of 2021. KOLON SPORT will have a total of 160-170 stores in Mainland China and Hong Kong by the end of 2021.





Upholding **“Single-focus, Multi-brand, Omni-channel”** strategy clearly, we continue to be **“Consumer-centric”** to achieve **“High-quality Growth”**

Together with **“Three Brand Groups + Three Platforms”**, we aim to become the leading and respectable world-class, multi-brand sportswear group

DIGITALIZATION PLATFORM



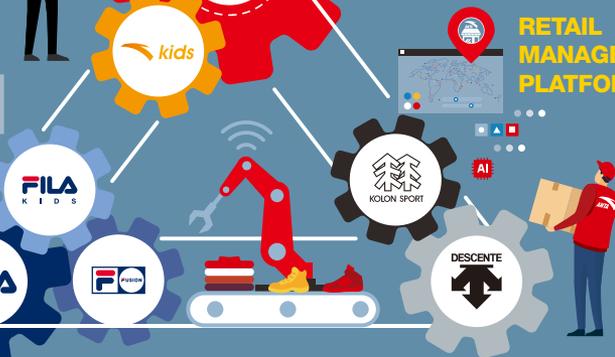
ANTA will focus on ‘Rooted in and Known for Performance Sport’ and ‘Brand Transformation and Growth’ to maintain rapid growth and leadership in the Chinese sportswear market

SUPPLY CHAIN PLATFORM



FILA will leverage on the top-tier resources and multi-brand to improve brand desirability and facilitate **“High-quality Growth”**

RETAIL MANAGEMENT PLATFORM



Establishing the high-end professional brand for **DESCENTE**, and high-end outdoor lifestyle brand for **KOLON SPORT**, empowering them to become future growth drivers

We will deepen digitalization to drive e-commerce penetration and store efficiency optimization. Target number of stores by the end of 2021:

ANTA and ANTA KIDS: 9,800-9,900
 FILA, FILA KIDS, FILA FUSION: 2,050-2,150
 DESCENTE: 190-200
 KOLON SPORT: 160-170





A-GREEN TECH
安踏环保科技

沁凉短TEE

采用杜邦SORONA特殊环保纱线
凉感体验 清爽抑菌



Guan Xiaotong,
a renowned Chinese actress

#青春上场

INDEPENDENT REVIEW REPORT OF THE AUDITORS



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 48 to 73 which comprises the condensed consolidated statement of financial position of ANTA Sports Products Limited as of 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and 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 to be in compliance with either *International Accounting Standard 34 "Interim Financial Reporting"* issued by the International Accounting Standards Board or *Hong Kong Accounting Standard 34 "Interim Financial Reporting"* issued by the Hong Kong Institute of Certified Public Accountants, depending on whether the issuer's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") or Hong Kong Financial Reporting Standards ("HKFRSs"). As the annual consolidated financial statements of ANTA Sports Products Limited are prepared in accordance with both IFRSs and HKFRSs, the directors are responsible for the preparation and presentation of the interim financial report in accordance with both International Accounting Standard 34 and Hong Kong 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 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" and Hong Kong Accounting Standard 34, "*Interim Financial Reporting*".

A handwritten signature of the KPMG firm, written in black ink. The signature is stylized and appears to be 'KPMG' with a flourish at the end.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
24 August 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021 – unaudited

	Note	Six months ended 30 June	
		2021 RMB'million	2020 RMB'million
Revenue	3(a)	22,812	14,669
Cost of sales		(8,404)	(6,330)
Gross profit		14,408	8,339
Other net income		339	710
Selling and distribution expenses		(7,556)	(4,395)
Administrative expenses		(1,286)	(1,050)
Profit from operations		5,905	3,604
Net finance income/(costs)	4	231	(65)
Share of loss of a joint venture	12	(346)	(719)
Profit before taxation	5	5,790	2,820
Taxation	6	(1,658)	(1,040)
PROFIT FOR THE PERIOD		4,132	1,780
Other comprehensive income/(loss) for the period			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Mainland China		(230)	157
Share of other comprehensive income of a joint venture		182	21
Items that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income ("FVOCI")			
– net movement in fair value reserve (non-recycling)		3	4
Share of other comprehensive income/(loss) of a joint venture		6	(50)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,093	1,912
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the Company		3,840	1,658
Non-controlling interests		292	122
PROFIT FOR THE PERIOD		4,132	1,780
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity shareholders of the Company		3,801	1,790
Non-controlling interests		292	122
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,093	1,912
Earnings per share	7	RMB cents	RMB cents
– Basic		142.77	61.63
– Diluted		140.04	61.35

The accompanying notes on pages 53 to 73 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 20(j).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 – unaudited

	Note	30 June 2021 RMB'million	31 December 2020 RMB'million
Non-current assets			
Property, plant and equipment	8	2,167	2,184
Right-of-use assets	9	5,693	4,108
Construction in progress	10	756	545
Prepayments for acquisition of land use rights and other non-current assets		48	46
Intangible assets	11	1,539	1,579
Investment in a joint venture	12	9,123	9,658
Other investments	13	73	70
Deferred tax assets	19(b)	1,032	960
Total non-current assets		20,431	19,150
Current assets			
Inventories	14	5,379	5,486
Trade receivables	15	3,237	3,731
Other current assets	15	2,849	2,883
Other investments	13	–	270
Pledged deposits	16	3	1
Fixed deposits held at banks with maturity over three months	16	6,049	5,023
Cash and cash equivalents	16	16,245	15,323
Total current assets		33,762	32,717
Total assets		54,193	51,867
Current liabilities			
Borrowings	17	90	1,968
Trade payables	18	1,709	2,376
Other current liabilities	18	5,141	4,539
Payable to non-controlling interests		33	33
Lease liabilities		1,907	1,273
Amounts due to related parties	23(b)	66	19
Current taxation	19(a)	1,395	1,507
Total current liabilities		10,341	11,715
Net current assets		23,421	21,002
Total assets less current liabilities		43,852	40,152

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 – unaudited

	Note	30 June 2021 RMB'million	31 December 2020 RMB'million
Non-current liabilities			
Borrowings	17	12,080	12,456
Payable to non-controlling interests		99	99
Lease liabilities		2,185	1,246
Deferred tax liabilities	19(b)	488	527
Total non-current liabilities		14,852	14,328
Total liabilities		25,193	26,043
Net assets		29,000	25,824
Equity			
Share capital	20(a)	261	261
Reserves	20	26,589	23,752
Total equity attributable to equity shareholders of the Company		26,850	24,013
Non-controlling interests		2,150	1,811
Total liabilities and equity		54,193	51,867

The accompanying notes on pages 53 to 73 form part of this interim financial report.



Ding Shizhong

Chairman, Executive Director and Chief Executive Officer



Lai Shixian

Executive Director and Chief Financial Officer

Hong Kong, 24 August 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021 – unaudited

	Attributable to equity shareholders of the Company					Total equity RMB'million
	Note	Share capital RMB'million	Reserves RMB'million	Total RMB'million	Non-controlling interests RMB'million	
Balances as at 1 January 2020		261	19,821	20,082	979	21,061
Changes in equity for the six months ended 30 June 2020:						
– Profit for the period		–	1,658	1,658	122	1,780
– Other comprehensive income for the period		–	132	132	–	132
Total comprehensive income for the period		–	1,790	1,790	122	1,912
Dividends approved in respect of the previous year	20(j)	–	(903)	(903)	–	(903)
Shares purchased under share award scheme	20(i)	–	(368)	(368)	–	(368)
Shares issued under share option schemes	20(a)	–	13	13	–	13
Equity-settled share-based payment transactions	20(g)	–	210	210	–	210
Issuance of convertible bonds		–	463	463	–	463
Capital contribution by non-controlling interests of subsidiaries		–	–	–	27	27
Dividends to non-controlling interests of subsidiaries		–	–	–	(45)	(45)
Balances as at 30 June 2020		261	21,026	21,287	1,083	22,370
Balances as at 1 January 2021		261	23,752	24,013	1,811	25,824
Changes in equity for the six months ended 30 June 2021:						
– Profit for the period		–	3,840	3,840	292	4,132
– Other comprehensive loss for the period		–	(39)	(39)	–	(39)
Total comprehensive income for the period		–	3,801	3,801	292	4,093
Dividends approved in respect of the previous year	20(j)	–	(1,054)	(1,054)	–	(1,054)
Equity-settled share-based payment transactions	20(g)	–	90	90	–	90
Capital contribution by non-controlling interests of subsidiaries		–	–	–	47	47
Balances as at 30 June 2021		261	26,589	26,850	2,150	29,000

The accompanying notes on pages 53 to 73 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021 – unaudited

	Note	Six months ended 30 June	
		2021 RMB'million	2020 RMB'million
Operating activities			
Cash generated from operations		7,932	3,615
Income tax paid		(1,793)	(1,325)
Interest received		174	105
Net cash generated from operating activities		6,313	2,395
Investing activities			
Capital expenditures paid		(458)	(511)
Net (placements)/uplifts of pledged deposits		(2)	3
Net placements of fixed deposits held at banks with maturity over three months		(1,077)	(2,433)
Proceeds from disposal of partial interests in a joint venture		–	235
Net proceeds from/(payments of) other investments		270	(287)
Other cash flows derived from investing activities		60	40
Net cash used in investing activities		(1,207)	(2,953)
Financing activities			
Net (repayments)/drawdowns of bank loans		(848)	11
Payments of interest expenses on bank loans		(55)	(116)
Net (repayments of)/proceeds from bills of exchange		(1,000)	1,000
Net proceeds from issuance of convertible bonds		–	7,678
Payments of lease liabilities		(1,296)	(584)
Dividends paid to equity shareholders of the Company	20(i)	(1,054)	(903)
Payments for shares purchased under share award scheme	20(i)	–	(368)
Other cash flows derived from financing activities		47	(37)
Net cash (used in)/received from financing activities		(4,206)	6,681
Net increase in cash and cash equivalents		900	6,123
Cash and cash equivalents as at 1 January		15,323	8,221
Effect of foreign exchange rate changes		22	252
Cash and cash equivalents as at 30 June	16	16,245	14,596

The accompanying notes on pages 53 to 73 form part of this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1. BASIS OF PREPARATION

This interim financial report of ANTA Sports Products Limited (the “Company”) 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* and *International Accounting Standard 34, Interim Financial Reporting*, (“IAS 34”) issued by the International Accounting Standards Board (“IASB”). IAS 34 is consistent with *Hong Kong Accounting Standard 34, Interim Financial Reporting*, (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accordingly this interim financial report is also prepared in accordance with HKAS 34. It was authorised for issue on 24 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 and HKAS 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.

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 (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”). 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 2020 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 HKICPA. KPMG’s independent review report to the board of directors of the Company is included on page 47.

2. CHANGES IN ACCOUNTING POLICIES

(a) Effect of adopting amendments to standards

The IASB and HKICPA have issued a number of amendments to IFRSs and HKFRSs that are first effective for the current accounting period of the Group. Except for the below amendment, none of other developments to IFRSs and HKFRSs that are first effective for the current accounting period of the Group have a material effect to the Group’s results and financial position that have been prepared or presented in this interim financial report:

	Effective for accounting period beginning on or after
Amendment to IFRS/HKFRS 16, <i>COVID-19-Related Rent Concessions</i> <i>beyond 30 June 2021</i>	1 April 2021

The amendment extends the availability of the practical expedient under the *Amendment to IFRS/HKFRS 16, COVID-19-Related Rent Concessions* issued in May 2020 that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of 2019 novel coronavirus disease (COVID-19) (the “Pandemic”) are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. The amendment applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The Group has elected to early adopt the amendment and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments credited to profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 January 2021.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

2. CHANGES IN ACCOUNTING POLICIES

(Continued)

(b) New standards and amendments to standards issued but are not yet effective

Save as aforesaid, a number of new standards and amendments to standards are not yet effective for the year ending 31 December 2021 and have not been adopted by the Group in preparing the interim financial report.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it is concluded that the new standards or amendments to standards issued but not effective are not likely to have significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are branding, production, design, procurement, supply chain management, wholesale and retail of branded sporting goods including footwear, apparel and accessories. The Group also has an investment in a joint venture, the principal activity of which is operating Amer Sports' business, as detailed in note 12.

The Group's (other than the joint venture) revenue, expenses, results, assets and liabilities are predominantly attributable to a single geographical region, which is China. Therefore, no analysis by geographical regions is presented.

The Group's (other than the joint venture) operations are not subject to significant seasonal factors.

Revenue represents the sales value of goods sold less returns, discounts, rebates and value added tax. Disaggregation of revenue from contracts with customers by product categories is as follows:

	Six months ended 30 June	
	2021	2020
	RMB'million	RMB'million
Footwear	8,834	5,344
Apparel	13,230	8,807
Accessories	748	518
	22,812	14,669

For the six months ended 30 June 2021, there was no customer with whom transactions have exceeded 10% of the Group's revenue (2020: Nil).

(b) Segment reporting

Chief Executive Officer and senior management team are the Group's chief operating decision-makers (the "CODMs"). The CODMs review the Group's internal reports periodically in order to assess performance and allocate resources from a brand perspective. Consistent with the way in which information is reported internally to the CODMs, the Group has presented two reportable segments of ANTA brand and FILA brand, respectively. Other than the two reportable segments, all other operating segments have been aggregated and presented as "all other brands". The segment information for the reporting period is as follows:

3. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

	ANTA brand RMB'million	FILA brand RMB'million	All other brands RMB'million	Headquarter and unallocated items RMB'million	Total RMB'million
For the six months ended 30 June 2021					
Revenue					
– Revenue from external customers	10,578	10,827	1,407	–	22,812
Gross profit	5,587	7,830	991	–	14,408
Results	2,447	3,143	295	20	5,905
– Net finance income	–	–	–	231	231
– Share of loss of a joint venture	–	–	–	(346)	(346)
Profit/(loss) before taxation	2,447	3,143	295	(95)	5,790
As at 30 June 2021					
Assets					
– Investment in a joint venture	–	–	–	9,123	9,123
– Other investments	–	–	–	73	73
– Deferred tax assets	–	–	–	1,032	1,032
– Other assets	17,876	10,535	3,374	12,492	44,277
<i>Reconciliation:</i>					
– Elimination of internal borrowings	–	–	–	(312)	(312)
Total assets	17,876	10,535	3,374	22,408	54,193
Liabilities					
– Borrowings	–	–	–	12,170	12,170
– Current taxation	–	–	–	1,395	1,395
– Deferred tax liabilities	–	–	–	488	488
– Other liabilities	5,558	4,363	1,136	395	11,452
<i>Reconciliation:</i>					
– Elimination of internal borrowings	(28)	(29)	(255)	–	(312)
Total liabilities	5,530	4,334	881	14,448	25,193

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

	ANTA brand RMB'million	FILA brand RMB'million	All other brands RMB'million	Headquarter and unallocated items RMB'million	Total RMB'million
For the six months ended					
30 June 2020					
Revenue					
– Revenue from external customers	6,777	7,152	740	–	14,669
Gross profit	2,822	5,040	477	–	8,339
Results					
– Net finance costs	–	–	–	(65)	(65)
– Share of loss of a joint venture	–	–	–	(719)	(719)
Profit/(loss) before taxation	1,858	1,766	19	(823)	2,820
As at 31 December 2020					
Assets					
– Investment in a joint venture	–	–	–	9,658	9,658
– Other investments	–	–	–	340	340
– Deferred tax assets	–	–	–	960	960
– Other assets	16,259	9,927	3,337	11,723	41,246
<i>Reconciliation:</i>					
– Elimination of internal borrowings	–	(25)	–	(312)	(337)
Total assets	16,259	9,902	3,337	22,369	51,867
Liabilities					
– Borrowings	–	–	–	14,424	14,424
– Current taxation	–	–	–	1,507	1,507
– Deferred tax liabilities	–	–	–	527	527
– Other liabilities	4,786	3,792	1,148	196	9,922
<i>Reconciliation:</i>					
– Elimination of internal borrowings	(10)	(29)	(273)	(25)	(337)
Total liabilities	4,776	3,763	875	16,629	26,043

For reconciliation purpose, “Headquarter and unallocated items” is also presented in the segment information.

Certain classifications have been changed to reflect the change of information reported internally to the CODMs. Certain comparative figures have been restated to conform to the current period’s presentation.

4. NET FINANCE INCOME/(COSTS)

	Six months ended 30 June	
	2021 RMB'million	2020 RMB'million
Total interest income on financial assets measured at amortised cost	184	134
Net gain on forward foreign exchange contracts and currency option contracts	9	1
Other net foreign exchange gain	259	–
	452	135
Interest expense on lease liabilities	(112)	(58)
Total interest expense on other financial liabilities measured at amortised cost	(109)	(142)
	(221)	(200)
Net finance income/(costs)	231	(65)

5. PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2021 RMB'million	2020 RMB'million
Cost of inventories ⁽ⁱ⁾ (note 14(b))	8,404	6,330
Research and development costs ^{(i) & (ii)}	500	402
Subcontracting charges ⁽ⁱ⁾	36	81
Staff costs ^{(i) & (ii)}	3,287	2,194
Depreciation ⁽ⁱ⁾		
– Property, plant and equipment (note 8)	179	227
– Right-of-use assets (note 9)	1,224	656
Amortisation of intangible assets (note 11)	70	28
(Reversal of impairment loss)/ impairment loss of trade receivables (note 15)	(18)	41
Variable lease payments not included in the measurement of lease liabilities	1,410	769

(i) Cost of inventories includes research and development costs, subcontracting charges, staff costs and depreciation, total amounting to RMB937 million (2020: RMB795 million).

(ii) Research and development costs include staff costs of employees in the research and development department, of which RMB174 million (2020: RMB165 million) are included in the staff costs as disclosed above.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

6. TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2021 RMB'million	2020 RMB'million
Current tax		
PRC Corporate Income Tax and income taxes of other tax jurisdictions	1,552	1,093
Dividends withholding tax	217	16
Deferred tax (note 19(b))		
Dividends withholding tax	(217)	(16)
Origination and reversal of other temporary differences	106	(53)
	1,658	1,040

- (i) In accordance with the relevant PRC corporate income tax laws, implementation regulations and guidance notes, certain subsidiaries in Mainland China are entitled to tax concessions whereby profits of these subsidiaries are taxed at a preferential income tax rate. Taxation of the Group's other subsidiaries in Mainland China are calculated using the applicable income tax rates of 25%.
- (ii) Taxation for subsidiaries in other tax jurisdictions amounting to RMB1 million (2020:RMB1 million) is charged at the appropriate current rates under the relevant taxation rulings.
- (iii) According to the PRC Corporate Income Tax Law and its implementation regulations, dividends receivable by non-Mainland China corporate residents from Mainland China 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 Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income 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 Mainland China if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the Mainland China 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 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 is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue during the period.

Weighted average number of ordinary shares

	2021 '000 shares	2020 '000 shares
Issued ordinary shares as at 1 January	2,703,329	2,701,947
Effect of shares held under share award scheme	(14,321)	(12,566)
Effect of shares vested under share award scheme	657	678
Effect of shares issued under share option schemes	–	126
Weighted average number of ordinary shares as at 30 June	2,689,665	2,690,185

(b) Diluted earnings per share

The calculation of the diluted earnings per share is based on the profit attributable to equity shareholders of the Company, and weighted average number of ordinary shares, as adjusted for the effects of all dilutive potential ordinary shares.

Profit attributable to equity shareholders of the Company (diluted)

	Six months ended 30 June	
	2021 RMB'million	2020 RMB'million
Profit attributable to equity shareholders of the Company	3,840	1,658
Adjustment for interest on convertible bonds, net of tax	44	35
Profit attributable to equity shareholders of the Company (diluted)	3,884	1,693

7. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

Weighted average number of ordinary shares (diluted)

	2021 '000 shares	2020 '000 shares
Weighted average number of ordinary shares as at 30 June	2,689,665	2,690,185
Effect of awarded shares under share award scheme	1,326	1,374
Effect of deemed issue of shares under share option schemes	–	1,852
Effect of conversion of convertible bonds	82,438	66,365
Weighted average number of ordinary shares (diluted) as at 30 June	2,773,429	2,759,776

8. PROPERTY, PLANT AND EQUIPMENT

	2021 RMB'million	2020 RMB'million
Net book value, as at 1 January	2,184	2,148
Additions	145	265
Transfer from construction in progress (note 10)	29	8
Disposals	(12)	(20)
Depreciation charge for the period (note 5)	(179)	(227)
Net book value, as at 30 June	2,167	2,174

9. RIGHT-OF-USE ASSETS

	2021 RMB'million	2020 RMB'million
Net book value, as at 1 January	4,108	3,237
Additions	2,851	508
Depreciation charge for the period (note 5)	(1,224)	(656)
Disposals	(42)	(160)
Net book value, as at 30 June	5,693	2,929

10. CONSTRUCTION IN PROGRESS

	2021 RMB'million	2020 RMB'million
As at 1 January	545	421
Additions	240	32
Transfer to property, plant and equipment (note 8)	(29)	(8)
As at 30 June	756	445

Construction in progress represents buildings under construction and plant and equipment pending for installation in Mainland China.

11. INTANGIBLE ASSETS

	2021 RMB'million	2020 RMB'million
Net book value, as at 1 January	1,579	678
Additions	30	36
Amortisation charge for the period (note 5)	(70)	(28)
Net book value, as at 30 June	1,539	686

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

12. INVESTMENT IN A JOINT VENTURE

	2021 RMB'million	2020 RMB'million
As at 1 January	9,658	10,551
Share of loss	(346)	(719)
Share of other comprehensive income/(loss)	188	(29)
Disposals	–	(221)
Exchange adjustment	(377)	157
As at 30 June	9,123	9,739

Details of the Group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture	Place of incorporation and business	Proportion of interest held	Proportion of voting rights held
Amer Sports Holding (Cayman) Limited ("AS Holding")	Cayman Islands/ Worldwide	52.70%	57.70%

Amer Sports Oy ("Amer Sports") is wholly-owned by AS Holding and is a sporting goods company with internationally recognised brands including Salomon, Arc'teryx, Peak Performance, Atomic, Suunto, Wilson, etc. Its technically advanced sports equipment, footwear, apparel and accessories aim to improve performance and increase enjoyment of sports and outdoor activities. Amer Sports' business is balanced by its broad portfolio of sports and products and presence in all major markets.

The Group accounts for AS Holding as an investment in a joint venture using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards, as decisions about certain key activities of AS Holding require the consent of directors nominated by other shareholders.

AS Holding, the only joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

On 22 December 2020 (Hong Kong time) (21 December 2020 New York time), Amer Sports and Peloton Interactive, Inc (the "Purchaser") entered into a stock and asset purchase agreement, pursuant to which the Amer Sports has agreed to sell, and the Purchaser has agreed to purchase, (i) 100% of the issued share capital in each of the target companies (and their respective wholly-owned subsidiaries engaging in the Precor brand business, collectively "Precor Group") and (ii) any and all intellectual property related to the business of the Precor Group for an aggregate consideration of USD420 million (equivalent to approximately RMB2,779 million) in cash, subject to a number of customary adjustments in accordance with the terms and conditions thereof. Precor Group was classified as a disposal group held for sale at 22 December 2020 and a discontinued operation in the AS Holding's consolidated financial statements for the year ended 31 December 2020. The disposal was completed during the period.

Summarised consolidated financial information of AS Holding, based on the latest available information to the Company and following the accounting policies adopted by the Group, are disclosed below:

	30 June 2021 RMB'million	31 December 2020 RMB'million
Current assets	10,710	13,840
Non-current assets	41,280	43,811
Current liabilities	(5,415)	(7,774)
Non-current liabilities	(29,262)	(31,550)
Equity	17,313	18,327

	Six months ended 30 June 2021 RMB'million	2020 RMB'million (restated)
Revenue	7,988	5,840
Loss from continuing operations	(669)	(1,058)
Post-tax profit/(loss) from discontinued operations	13	(307)
Other comprehensive income/(loss)	356	(55)
Total comprehensive loss	(300)	(1,420)
Included in the above loss:		
Depreciation and amortisation	(747)	(882)
Interest income	5	2
Interest expense	(520)	(510)
Income tax credit	49	130

12. INVESTMENT IN A JOINT VENTURE (Continued)

The comparative information for the six months ended 30 June 2020 has been re-presented as if the Precor Group and other relevant operations had been classified as discontinued operations at 1 January 2020.

A 5-year EUR1,300,000,000 (equivalent to RMB9,985 million) term loan facility ("Facility A") is provided by independent third party bank lenders to AS Holding for the purpose of, amongst others, (i) funding the settlement of the tender offer and the purchase of the shares of Amer Sports; and/or (ii) refinancing of any indebtedness of Amer Sports in connection with the acquisition of shares of Amer Sports. The Company has guaranteed the full and punctual performance of any and all obligations and undertakings of AS Holding to the arrangers, the lenders and the agent in connection with, and for all amounts which may become due and payable under, the aforesaid loan facilities. As at 30 June 2021, Facility A has been fully drawn by AS Holding.

13. OTHER INVESTMENTS

	30 June 2021 RMB'million	31 December 2020 RMB'million
Current		
Financial instruments measured a fair value through profit or loss:		
Unlisted debt securities	–	270
Non-current		
Equity instruments designated at FVOCI (non-recycling):		
Unlisted equity investments	73	70
	73	340

The Group designated certain unlisted equity investments at FVOCI (non-recycling), as the investments are held for strategic purposes.

The movements of the unlisted equity investments are as follows:

	Six months ended 30 June	
	2021	2020
	RMB'million	RMB'million
As at 1 January	70	64
Total unrealised gains recognised in other comprehensive income	3	4
As at 30 June	73	68

14. INVENTORIES

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

	30 June 2021 RMB'million	31 December 2020 RMB'million
Raw materials	301	212
Work in progress	226	274
Finished goods	4,852	5,000
	5,379	5,486

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

	Six months ended 30 June	
	2021	2020
	RMB'million	RMB'million
Carrying amount of inventories sold	8,202	6,246
Write-down of inventories	202	84
	8,404	6,330

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(Expressed in Renminbi unless otherwise indicated)

15. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	30 June 2021 RMB'million	31 December 2020 RMB'million
Trade receivables	3,266	3,778
Less: loss allowance	(29)	(47)
	3,237	3,731
Other current assets:		
Other assets in relation to refunds (note 18)	143	167
Advance payments to suppliers	576	753
Deposits and other prepayments	1,195	1,100
VAT deductible	637	476
Interest receivables	54	44
Derivative financial instruments	–	2
Others	244	341
	2,849	2,883

All of the trade receivables and other receivables (net of loss allowance) are expected to be recovered or recognised as expenses within one year.

An ageing analysis of the trade receivables, based on the invoice date, is as follows:

	30 June 2021 RMB'million	31 December 2020 RMB'million
Current	3,157	3,709
Less than 3 months past due	87	25
Past due over 3 months	22	44
	3,266	3,778

The movement in the loss allowance account for trade receivables during the period is as follows:

	2021 RMB'million	2020 RMB'million
As at 1 January	47	41
(Reversal of impairment loss)/ impairment loss recognised (note 5)	(18)	41
As at 30 June	29	82

The Group normally grants a credit period of 30 to 90 days to its customers. Individual credit evaluations are performed on all customers requesting credit over a certain amount. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group keeps assessing the expected loss rates based on the Group's historical credit loss experience over the past years, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period over the expected lives of the receivables.

16. CASH AND CASH EQUIVALENTS, FIXED DEPOSITS HELD AT BANKS AND PLEDGED DEPOSITS

	30 June 2021 RMB'million	31 December 2020 RMB'million
Fixed deposits with banks within three months to maturity when placed	10,225	7,875
Cash at bank and in hand	2,814	3,052
Short-term investments ⁽ⁱ⁾	3,206	4,396
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	16,245	15,323
Fixed deposits with banks with more than three months to maturity when placed	6,049	5,023
Pledged deposits ⁽ⁱⁱ⁾	3	1
Total ⁽ⁱⁱⁱ⁾	22,297	20,347

- (i) The short-term investments comprise China national debts and national debt reverse repurchase products, being highly liquid debt securities with fixed maturities (within three months from subscription date) and determinable returns, and subject to insignificant risk of changes in value.
- (ii) As at 30 June 2021, certain bank deposits have been pledged as security for certain contracts.
- (iii) As at 30 June 2021, the balances, deposits and short-term investments that were placed with banks and financial institutions in Mainland China amounted to RMB19,603 million (31 December 2020: RMB15,674 million). Remittance of funds out of Mainland China is subject to the foreign exchange restrictions imposed by government.

As at the end of the reporting period, all balances, deposits and short-term investments were placed with highly reputable and sizable banks and financial institutions without significant credit risk. The breakdown by placement banks/financial institutions is as follows:

	30 June 2021 RMB'million	31 December 2020 RMB'million
Big 4 domestic banks (and its subsidiaries)	9,736	5,998
Other reputable and sizeable domestic shareholding commercial banks (and its subsidiaries)	8,638	8,971
Reputable domestic non-bank financial institutions	2,900	4,396
Highly reputable and sizeable foreign-owned banks	1,023	982
	22,297	20,347

Big 4 domestic banks comprise Industrial and Commercial Bank of China Limited, Agricultural Bank of China Limited, Bank of China Limited and China Construction Bank Corporation.

The breakdown by currencies is as follows:

	30 June 2021 RMB'million	31 December 2020 RMB'million
Renminbi	15,070	12,240
United States Dollars	6,963	7,347
Hong Kong Dollars	131	265
Euro	57	432
Others	76	63
	22,297	20,347

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17. BORROWINGS

	Note	30 June 2021 RMB'million	31 December 2020 RMB'million
Current			
Bank loans	(a)	50	928
Bills payable (financing in nature)	(b)	–	1,000
Medium term notes	(d)	40	40
		90	1,968
Non-Current			
Bank loans	(a)	3,731	3,873
Convertible bonds	(c)	7,356	7,610
Medium term notes	(d)	993	973
		12,080	12,456
Total borrowings		12,170	14,424

(a) Bank loans

As at 30 June 2021, all bank loans were unsecured, denominated in Euro and measured at amortised cost.

(b) Bills payable (financing in nature)

As at 31 December 2020, bill payable (financing in nature) were bills of exchange which were denominated in Renminbi, measured at amortised cost and repayable within one year.

(c) Convertible bonds

On 5 February 2020, the Group completed the issuance of EUR1.0 billion zero coupon convertible bonds (“Bonds”) due on 5 February 2025 and the Bonds are listed on the Singapore Stock Exchange.

Each Bond could, at the option of the holder, be convertible on or after the date which is 41 days after 5 February 2020 up to the date falling 10 days prior to 5 February 2025 into fully paid ordinary shares with a par value of HK\$0.10 each of the Company (the “Shares”). The latest conversion price is HK\$104.05 per Share, subject to adjustments, with effect from 13 May 2021. The number of Shares to be issued shall be determined by dividing the principal amount of the Bonds to be converted (translated into Hong Kong dollars at the pre-determined fixed rate of HKD8.6466 = EUR1.00 under the terms and conditions of the Bonds) by the conversion price in effect on the relevant conversion date. Assuming full conversion of the Bonds at the latest conversion price of HK\$104.05 per Share, the Bonds will be convertible into 83,100,432 conversion shares.

The outstanding principal amount of the Bonds is repayable by the Group upon the maturity of the Bonds on 5 February 2025, if not previously redeemed, converted or purchased and cancelled. On 5 February 2023 (the “Optional Put Date”), the holder of each Bond will have the right at such holder’s option, to require the Group to redeem all or some only of such holder’s Bonds on the Optional Put Date at their principal amount. The Bonds may be redeemed, on giving not less than 30 nor more than 60 days’ notice to the bondholders, in whole but not in part, at its option of the Group, at their principal amount on the date specified in the optional redemption notice, at any time if prior to the date the relevant optional redemption notice is given, conversion rights have been exercised and/or purchased (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in aggregate principal amount of the Bonds originally issued.

At initial recognition, the liability component is measured at fair value based on the principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The remainder of the proceeds is allocated to the conversion option as the equity component. Transaction costs associated with the issuance of the Bonds are allocated to the liability and equity components in proportion to the allocation of proceeds. The liability component is subsequently carried at amortised cost calculated using the effective interest method.

During the reporting period, there was no conversion nor redemption of convertible bonds.

17. BORROWINGS (Continued)

(d) Medium term notes

The medium term notes were unsecured, denominated in Renminbi and measured at amortised cost.

18. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	30 June 2021 RMB'million	31 December 2020 RMB'million
Trade payables	1,709	2,376
Other current liabilities:		
Refund liabilities ⁽ⁱ⁾	272	303
Contract liabilities ⁽ⁱ⁾	1,193	1,067
Construction costs payables	67	92
VAT and other taxes payables	596	471
Accruals	1,971	1,638
Derivative financial instruments	–	17
Others	1,042	951
	5,141	4,539

(i) The Group recognises a refund liability for the consideration received or receivable of which the Group does not expect to be entitled. The Group also recognises other assets in relation to refunds, measured with reference to the former carrying amount of the products (see note 15). The costs to recover the products are not material because the product returned are usually in a saleable condition.

(ii) A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue, or when the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer.

All of the trade payables 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 trade payables, based on the invoice date, is as follows:

	30 June 2021 RMB'million	31 December 2020 RMB'million
Within 3 months	1,686	2,346
3 months to 6 months	6	16
Over 6 months	17	14
	1,709	2,376

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(Expressed in Renminbi unless otherwise indicated)

19. 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 provisions for PRC Corporate Income Tax of RMB1,390 million (31 December 2020: RMB1,503 million) and income taxes in other tax jurisdictions of RMB5 million (31 December 2020: RMB4 million).

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

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	Other deferred tax liabilities	Accruals	Other deferred tax assets	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
As at 1 January 2020	225	31	(524)	(222)	(490)
Charged/(credited) to profit or loss (note 6)	115	8	(24)	(152)	(53)
Released upon distribution of dividends (note 6(iii))	(16)	-	-	-	(16)
As at 30 June 2020	324	39	(548)	(374)	(559)
As at 1 January 2021	492	35	(378)	(582)	(433)
Charged/(credited) to profit or loss (note 6)	179	(1)	(26)	(46)	106
Released upon distribution of dividends (note 6(iii))	(217)	-	-	-	(217)
As at 30 June 2021	454	34	(404)	(628)	(544)

(ii) Reconciliation to the condensed consolidated statement of financial position

	30 June 2021	31 December 2020
	RMB'million	RMB'million
Amount recognised in the condensed consolidated statement of financial position:		
- Deferred tax assets	(1,032)	(960)
- Deferred tax liabilities	488	527
	(544)	(433)

(c) Deferred tax assets not recognised

As at 30 June 2021, certain subsidiaries of the Group have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB697 million (31 December 2020: RMB573 million) of which RMB446 million (31 December 2020: RMB357 million) will expire within 5 years under the current tax legislation. These 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 2021, temporary differences relating to the undistributed profits of certain subsidiaries of the Group in Mainland China amounted to RMB8,834 million (31 December 2020: RMB7,411 million). Deferred tax liabilities of RMB442 million (31 December 2020: RMB371 million) 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 Company has determined that these profits are not likely to be distributed in the foreseeable future.

20. CAPITAL, RESERVES AND DIVIDENDS

The components of reserves recognised in the condensed consolidated statement of financial position and the movements during the period are as follows:

	Shares held for share award scheme	Share premium	Capital reserve	Statutory reserve	Fair value reserve (non-recycling)	Exchange reserve	Share-based compensation reserve	Convertible bonds related reserve	Share of other comprehensive loss of joint venture	Retained profits	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Note	Note 20(i)	Note 20(b)	Note 20(c)	Note 20(d)	Note 20(e)	Note 20(f)	Note 20(g)				
Balances as at 1 January 2020	(445)	4,559	176	1,420	19	(350)	99	-	(60)	14,403	19,821
Changes in equity for the six months ended 30 June 2020:											
- Profit for the period	-	-	-	-	-	-	-	-	-	1,658	1,658
- Other comprehensive income/ (loss) for the period	-	-	-	-	4	157	-	-	(29)	-	132
Total comprehensive income for the period	-	-	-	-	4	157	-	-	(29)	1,658	1,790
Disposal of partial interests in a joint venture	-	-	-	-	-	-	-	-	1	(1)	-
Dividends approved in respect of the previous year	20(i)	-	-	-	-	-	-	-	-	(903)	(903)
Shares purchased under share award scheme	20(i)	(368)	-	-	-	-	-	-	-	-	(368)
Shares issued under share option schemes	20(a)	-	17	-	-	-	(4)	-	-	-	13
Equity-settled share-based payment transactions	20(g)	-	-	-	-	-	210	-	-	-	210
Vesting of awarded shares of share award scheme	20(i)	112	33	-	-	-	(145)	-	-	-	-
Issuance of convertible bonds	-	-	-	-	-	-	-	463	-	-	463
Appropriation to statutory reserve	20(d)	-	-	43	-	-	-	-	-	(43)	-
Balances as at 30 June 2020	(701)	4,609	176	1,463	23	(193)	160	463	(88)	15,114	21,026

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(Expressed in Renminbi unless otherwise indicated)

20. CAPITAL, RESERVES AND DIVIDENDS (Continued)

	Shares held for share award scheme	Share premium	Capital reserve	Statutory reserve	Fair value reserve (non-recycling)	Exchange reserve	Share-based compensation reserve	Convertible bonds related reserve	Share of other comprehensive loss of joint venture	Retained profits	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Note	Note 20(f)	Note 20(b)	Note 20(c)	Note 20(d)	Note 20(e)	Note 20(f)	Note 20(g)				
Balances as at 1 January 2021	(797)	4,618	176	1,561	25	(394)	267	463	(352)	18,185	23,752
Changes in equity for the six months ended 30 June 2021:											
- Profit for the period	-	-	-	-	-	-	-	-	-	3,840	3,840
- Other comprehensive income/ (loss) for the period	-	-	-	-	3	(230)	-	-	188	-	(39)
Total comprehensive income for the period	-	-	-	-	3	(230)	-	-	188	3,840	3,801
Dividends approved in respect of the previous year	20(f)	-	-	-	-	-	-	-	-	(1,054)	(1,054)
Equity-settled share-based payment transactions	20(g)	-	-	-	-	-	90	-	-	-	90
Vesting of awarded shares of share award scheme	20(f)	110	30	-	-	-	(140)	-	-	-	-
Appropriation to statutory reserve	20(d)	-	-	-	56	-	-	-	-	(56)	-
Balances as at 30 June 2021	(687)	4,648	176	1,617	28	(624)	217	463	(164)	20,915	26,589

20. CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(a) Share capital

During the six months ended 30 June 2020, pursuant to the Company's share option schemes (note 20(h)), options were exercised to subscribe for 882,000 ordinary shares in the Company at a consideration of RMB13 million of which RMB82,000 was credited to share capital and the balance of approximately RMB13 million was credited to the share premium account. RMB4 million had been transferred from the share-based compensation reserve to the share premium account.

(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) totaling HK\$144 million (equivalent to RMB141 million) 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.

On 26 July 2017, the non-controlling shareholders of Full Prospect Sports Limited ("Full Prospect"), a subsidiary of the Group, requested to convert all its class B shares of Full Prospect to ordinary shares in accordance with the articles of Full Prospect. The long-term payable to non-controlling interests related to the class B shares was therefore derecognised. Such derecognition was reflected as a corresponding increase in capital reserve (amounting to RMB35 million) and non-controlling interest.

(d) Statutory reserve

Pursuant to applicable PRC regulations, Mainland China subsidiaries are required to appropriate 10% of their profit after tax (after offsetting prior years' 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) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity instruments designated as measured at FVOCI under IFRS/HKFRS 9 that are held at the end of reporting period.

(f) Exchange reserve

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

(g) Share-based compensation reserve

Share-based compensation reserve represents the fair value of employee services in respect of exercisable share options and awarded shares granted to certain directors of the Company and employees of the Group.

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20. CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(h) Share option schemes

Share Option Scheme I

The Company adopted a share option scheme ("Share Option Scheme I") pursuant to the shareholders' written resolution passed on 11 June 2007. The Board may, at its absolute discretion, offer options to eligible persons (as defined in the Share Option Scheme I) to subscribe for such number of shares of the Company in accordance with the terms set out in the Share Option Scheme I. Each option gives the holder the right to subscribe for one ordinary share of the Company.

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 6 April 2017, the Share Option Scheme I was terminated. Any outstanding share options granted under the Share Option Scheme I would continue to be valid and exercisable until the expiry. On 14 September 2020, all outstanding share options granted but not exercised under the Share Option Scheme I were expired and forfeited.

Share Option Scheme II

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 6 April 2017, to enable the continuity of terminated Share Option Scheme I, the Company has adopted a new share option scheme ("Share Option Scheme II") which has similar terms as Share Option Scheme I. The Share Option Scheme II shall be valid and effective for a period of 10 years from the adoption of the scheme on 6 April 2017.

The purpose of the Share Option Scheme II is to motivate the eligible persons (as defined in the Share Option Scheme II) to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives (as defined in the Share Option Scheme II), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

No options were granted, exercised, lapsed or cancelled under the Share Option Scheme II during the period. As at 30 June 2021, there were no outstanding options under the Share Option Scheme II.

(i) Share award scheme

The Company has adopted a share award scheme ("Share Award Scheme") on 19 October 2018 in which employees of the Group will be entitled to participate, and shall be valid and effective for a term of 10 years commencing on adoption date. The specific objective of Share Award Scheme are (i) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Pursuant to the Share Award Scheme, existing shares of the Company will be purchased by the professional trustee appointed by the Company for the administration of the scheme from the open market out of cash contributed by the Group and be held in trust for selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the scheme.

During the period, pursuant to the Share Award Scheme, no ordinary shares (2020: 6,319,000) in the Company were purchased from the open market by the trustee. Total consideration paid during the period, including all relevant expenses, were nil (2020: RMB368 million).

During the period, no awarded shares were granted under the Share Award Scheme (2020: Nil).

During the period, 1,983,416 awarded shares (2020: 2,055,667) with a total amount of RMB110 million (2020: RMB112 million) were vested, resulting in the transfer out of RMB140 million (2020: RMB145 million) from the share-based compensation reserve, with the difference of RMB30 million (2020: RMB33 million) credited to share premium account. 356,584 awarded shares were lapsed during the period (2020: 746,333).

As at 30 June 2021, the total number of awarded shares granted but not vested (subject to certain vesting conditions) under the Share Award Scheme was 6,418,000 (31 December 2020: 8,758,000).

20. CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(j) Dividends

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

	Six months ended 30 June	
	2021 RMB'million	2020 RMB'million
Interim dividend declared after the end of the interim period of HK60 cents per ordinary share (2020: HK21 cents per ordinary share)	1,360	501

The interim dividend has not been recognised as a liability at the end of the reporting period.

(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	
	2021 RMB'million	2020 RMB'million
Final dividend in respect of the year ended 31 December 2020, approved and paid during the period, of HK47 cents per ordinary share (2019: HK36 cents per ordinary share)	1,054	903

21. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS/HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

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21. FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

	Fair value measurements as at 30 June 2021 categorised into			
	Total RMB'million	Level 1 RMB'million	Level 2 RMB'million	Level 3 RMB'million
Recurring fair value measurements				
Financial assets:				
Equity instruments:				
- Unlisted equity investments	73	-	-	73

	Fair value measurements as at 31 December 2020 categorised into			
	Total RMB'million	Level 1 RMB'million	Level 2 RMB'million	Level 3 RMB'million
Recurring fair value measurements				
Financial assets/(liabilities):				
Equity instruments:				
- Unlisted equity investments	70	-	-	70
Debt Instruments:				
- Unlisted debt securities	270	-	270	-
Derivative financial instruments:				
- Forward foreign exchange contracts	2	-	2	-
- Currency option contracts	(17)	-	(17)	-

During the six months ended 30 June 2021 and 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of financial assets/liabilities in Level 2 is determined by discounting the expected future cash flows at prevailing market interest rate as at the end of the reporting period or option pricing model that incorporated present value techniques and reflected both the time value and the intrinsic value, taking into account the terms and conditions of the contracts.

Information about Level 3 fair value measurements

The fair value of the unlisted equity investment is determined by using the adjusted net assets value method and comparable company method, with unobservable inputs of net assets value and price/book ratio respectively. The fair value measurements are positively correlated to the net assets value and the price/book ratio.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of all financial assets and liabilities measured at amortised cost are not materially different from their fair values as at 30 June 2021 and 31 December 2020.

22. CAPITAL COMMITMENTS

Capital commitments outstanding as at 30 June 2021 not provided for in the interim financial report were as follows:

	30 June 2021 RMB'million	31 December 2020 RMB'million
Contracted for	1,981	2,478
Authorised but not contracted for	229	396
	2,210	2,874

23. MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Six months ended 30 June	
	2021 RMB'million	2020 RMB'million
Recurring transactions		
Purchases of raw materials	51	43
– Quanzhou Anda Packaging Co., Ltd. (“Quanzhou Anda”) and other related entities ⁽ⁱ⁾		
Service fees		
– Mr. Ding Shijia (and his associates)	10	10
Non-recurring transaction		
Acquisition of land use rights and factory under construction		
– Fujian Anta Investment Co., Limited (“Fujian Anta”)	72	–

(i) Quanzhou Anda (and for and on behalf of certain entities) entered into an agreement in relation to the supply of paper packaging materials from Quanzhou Anda (and those entities) to the Group. Those other related entities are associates of certain directors of the Company.

The above recurring related party transactions were in the ordinary and usual course of business of the Group, on normal commercial terms or better, and fair and reasonable.

The above non-recurring related party transaction was on normal commercial terms or better, and fair and reasonable.

(b) Balances with related parties

	30 June 2021 RMB'million	31 December 2020 RMB'million
Amounts due to related parties		
Trade balance		
– Quanzhou Anda and other related entities	22	16
Other balances		
– Mr. Ding Shijia (and his associates)	6	3
– Fujian Anta	38	–
	66	19

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 executive directors were as follows:

	Six months ended 30 June	
	2021 RMB'million	2020 RMB'million
Short-term employee benefits	11	10
Equity-settled share-based payment transactions	10	21
	21	31

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

24. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the board of directors of the Company have declared an interim dividend of HK60 cents per share. Further details are disclosed in note 20(j).

OTHER INFORMATION

INTERIM DIVIDEND

The Board has declared an interim dividend of HK60 cents per ordinary share in respect of the six months ended 30 June 2021. The interim dividend will be payable on or about Monday, 20 September 2021 to shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Tuesday, 7 September 2021.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2021, 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 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	1,571,446,000 (L) ⁽³⁾	–	58.13%
	Anta International	Founder of a discretionary trust	529,578,940 (L) ⁽³⁾	–	33.90%
	Anta International	Interest in controlled corporation	18,267,273 (L) ⁽³⁾	–	1.17%
Mr. Ding Shijia	Company	Founder of a discretionary trust	1,563,000,000 (L) ⁽⁴⁾	–	57.82%
	Anta International	Founder of a discretionary trust	521,706,820 (L) ⁽⁴⁾	–	33.40%
Mr. Lai Shixian	Company	Beneficial owner	291,955 (L)	–	0.01%
	Company	Beneficiary of a trust (other than a discretionary trust)	–	600,000 (L)	0.02%
	Anta International	Beneficiary of a discretionary trust/ Interest of spouse	146,189,463 (L) ⁽⁵⁾	–	9.36%
Mr. Wu Yonghua	Anta International	Interest in controlled corporation	39,961,734 (L) ⁽⁵⁾	–	2.56%
	Anta International	Founder of a discretionary trust	78,136,038 (L) ⁽⁶⁾	–	5.00%
Mr. Zheng Jie	Company	Beneficial owner	800,000 (L)	–	0.03%
Mr. Wang Wenmo	Anta International	Founder of a discretionary trust	146,170,945 (L) ⁽⁷⁾	–	9.36%
Mr. Yiu Kin Wah Stephen	Company	Beneficial owner	23,000 (L)	–	0.00%
	Company	Other	20,000 (L) ⁽⁸⁾	–	0.00%

(L) – Long Position

Notes:

(1) As at 30 June 2021, the number of issued ordinary shares of the Company and of Anta International were 2,703,329,000 and 1,562,000,000, respectively.

(2) The interests in underlying Shares represent the interests in awarded shares granted pursuant to the Company's share award scheme, details of which are set out in the section entitled "Share Award Scheme" below.

- (3) A total of 1,562,000,000 Shares were directly held by Anta International and its wholly-owned subsidiaries, and 9,446,000 Shares were directly held by Shine Well (Far East) Limited (“Shine Well”), representing 57.78% and 0.35% of the issued Shares as at 30 June 2021 respectively. Shine Well directly held 529,578,940 shares of Anta International, representing 33.90% of the issued share capital of Anta International as at 30 June 2021, and was 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 was deemed to be interested in all the Shares held by Anta International. The entire issued share capital of Shine Well was held by Top Bright Assets Limited. The entire issued share capital of Top Bright Assets Limited was in turn held by HSBC International Trustee Limited (“HSBC Trustee”) acting as the trustee of the DSZ Family Trust. The DSZ Family Trust was 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 Mr. Ding Shizhong and his family members. Mr. Ding Shizhong as founder and one of the beneficiaries of the DSZ Family Trust was deemed to be interested in the total 1,571,446,000 Shares held by Anta International and Shine Well and 529,578,940 shares of Anta International held by Shine Well. 18,267,273 shares of Anta International, representing 1.17% of the issued share capital of Anta International as at 30 June 2021, were directly held by Blossom Prospect Limited (“Blossom Prospect”). Mr. Ding Shizhong held 50% of the issued shares of Blossom Prospect and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Blossom Prospect, and therefore was deemed to be interested in 18,267,273 shares of Anta International held by Blossom Prospect.
- (4) A total of 1,562,000,000 Shares were directly held by Anta International and its wholly-owned subsidiaries, and 1,000,000 Shares were directly held by Talent Trend Investment Limited (“Talent Trend”), representing 57.78% and 0.04% of the issued Shares as at 30 June 2021 respectively. Talent Trend directly held 521,706,820 shares of Anta International, representing 33.40% of the issued share capital of Anta International as at 30 June 2021, and was 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 was deemed to be interested in all the Shares held by Anta International. The entire issued share capital of Talent Trend was held by Allwealth Assets Limited. The entire issued share capital of Allwealth Assets Limited was in turn held by HSBC Trustee acting as the trustee of the DSJ Family Trust. The DSJ Family Trust was 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 Mr. Ding Shijia and his family members. Mr. Ding Shijia as founder and one of the beneficiaries of the DSJ Family Trust was deemed to be interested in the total 1,563,000,000 Shares held by Anta International and Talent Trend and 521,706,820 shares of Anta International held by Talent Trend.
- (5) Certain interests of Mr. Lai Shixian in Anta International were held through Gain Speed Holdings Limited, which directly held 146,189,463 shares of Anta International, representing 9.36% of the issued share capital of Anta International as at 30 June 2021. The entire issued share capital of Gain Speed Holdings Limited was held by Spring Star Assets Limited, which was in turn 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 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 were Mr. Lai Shixian, Ms. Ding Yali and their family members. Ms. Ding Yali as the founder of the DYL Family Trust was deemed to be interested in the 146,189,463 shares of Anta International held by Gain Speed Holdings Limited. Mr. Lai Shixian as one of the beneficiaries of the DYL Family Trust and as the spouse of Ms. Ding Yali was deemed to be interested in the 146,189,463 shares of Anta International held by Gain Speed Holdings Limited. 18,267,273 shares of Anta International, representing 1.17% of the issued share capital of Anta International as at 30 June 2021, were directly held by Blossom Prospect. Mr. Lai Shixian held 50% of the issued shares of Blossom Prospect and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Blossom Prospect, and therefore was deemed to be interested in 18,267,273 shares of Anta International held by Blossom Prospect. 21,694,461 shares of Anta International, representing 1.39% of the issued share capital of Anta International as at 30 June 2021, were directly held by First Start Investment Limited (“First Start”). Mr. Lai Shixian held 90% of the issued shares of First Start and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of First Start, and therefore was deemed to be interested in 21,694,461 shares of Anta International held by First Start.
- (6) The interests of Mr. Wu Yonghua in Anta International were held through Spread Wah International Limited, which directly held 78,136,038 shares of Anta International, representing 5.00% of the issued share capital of Anta International as at 30 June 2021. The entire issued share capital of Spread Wah International Limited was held by Allbright Assets Limited, which was in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust was 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 were family members of Mr. Wu Yonghua. Mr. Wu Yonghua as the founder of the WYH Family Trust was deemed to be interested in the 78,136,038 shares of Anta International held by Spread Wah International Limited.
- (7) The interests of Mr. Wang Wenmo in Anta International were held through Fair Billion Development Limited, which directly held 146,170,945 shares of Anta International, representing 9.36% of the issued share capital of Anta International as at 30 June 2021. The entire issued share capital of Fair Billion Development Limited was held by Asia Bridges Assets Limited, which was in turn held by HSBC Trustee acting as the trustee of the WWM Family Trust. The WWM Family Trust was 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 were Mr. Wang Wenmo and his family members. Mr. Wang Wenmo as the founder and one of the beneficiaries of the WWM Family Trust was deemed to be interested in the 146,170,945 shares of Anta International held by Fair Billion Development Limited.
- (8) The interests of Mr. Yiu Kin Wah Stephen were held by his family member as at 30 June 2021. Mr. Yiu Kin Wah Stephen, having a general power of attorney of a family member’s securities account, was deemed to be interested in the 20,000 Shares held by his family member.

Save as disclosed above, as at 30 June 2021, 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 or any of 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.

OTHER INFORMATION

Interests and Short Positions of Substantial Shareholders

As at 30 June 2021, 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 and/or 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 ⁽¹⁾	1,572,459,000 (L)	58.17%
Top Bright Assets Limited	Interest in controlled corporation ⁽¹⁾	1,571,446,000 (L)	58.13%
Shine Well	Interest in controlled corporation ⁽¹⁾	1,562,000,000 (L)	57.78%
	Beneficial owner ⁽¹⁾	9,446,000 (L)	0.35%
Allwealth Assets Limited	Interest in controlled corporation ⁽¹⁾	1,563,000,000 (L)	57.82%
Talent Trend	Interest in controlled corporation ⁽¹⁾	1,562,000,000 (L)	57.78%
	Beneficial owner ⁽¹⁾	1,000,000 (L)	0.04%
Anta International	Beneficial owner ⁽²⁾	1,285,625,000 (L)	47.56%
	Interest in controlled corporation ⁽²⁾	276,375,000 (L)	10.22%
Anda Holdings	Beneficial owner	160,875,000 (L)	5.95%

(L) – Long Position

Notes:

- (1) The interests of HSBC Trustee in the Company were held through Anta International, Anda Holdings, Anda Investments, Shine Well and Talent Trend, representing approximately 47.56%, 5.95%, 4.27%, 0.35%, 0.04% of the issued Shares, respectively. In addition, HSBC Trustee also held 13,000 Shares as trustee for persons unrelated to the substantial shareholders of the Company.

HSBC Trustee was the trustee of the DSZ Family Trust, the DSJ Family Trust, the WWM Family Trust, the WYH Family Trust and the DYL Family Trust, 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 1,285,625,000 Shares directly held by Anta International. Anta International held the entire issued share capital of each of Anda Holdings and Anda Investments and therefore was deemed to be interested in 160,875,000 Shares and 115,500,000 Shares directly held by Anda Holdings and Anda Investments, respectively. Accordingly, HSBC Trustee, Top Bright Assets Limited, Allwealth Assets Limited, Shine Well and Talent Trend were deemed to be interested in the total 1,562,000,000 Shares held by Anta International and its wholly-owned subsidiaries. 9,446,000 Shares were held by Shine Well directly. Accordingly, HSBC Trustee and Top Bright Assets Limited were also deemed to be interested in the 9,446,000 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.

- (2) 1,285,625,000 Shares were directly held by Anta International. 160,875,000 Shares and 115,500,000 Shares were directly held by Anda Holdings and Anda Investments, respectively. Each of Anda Holdings and Anda Investments was wholly-owned by Anta International and therefore was a controlled corporation of Anta International. Accordingly, Anta International was deemed to be interested in the 160,875,000 Shares held by Anda Holdings and the 115,500,000 Shares held by Anda Investments.

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any other person or corporation having an interest or short positions in shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CONVERTIBLE BONDS

On 5 February 2020, the Group completed the issuance of EUR1 billion zero coupon convertible bonds due 2025 (the “Bonds”), and the Bonds are listed on the Singapore Stock Exchange.

The conversion price per conversion share is subject to adjustments in accordance with the terms and conditions of the Bonds. As a result of the approval of the final dividend of HK47 cents per Share for the year ended 31 December 2020 by Shareholders at the AGM held on 7 May 2021, the conversion price per conversion share was adjusted from HKD104.40 to HKD104.05 with effect from 13 May 2021. For details please refer to the announcement of the Company dated 7 May 2021.

As at 30 June 2021, the total number of the issued shares of the Company is 2,703,329,000. Based on the latest conversion price of HKD104.05 and assuming full conversion of the Bonds, the Bonds would be convertible into 83,100,432 conversion shares, representing approximately 3.07% of the issued share capital of the Company and approximately 2.98% of the issued share capital of the Company as enlarged by the issue of such conversion shares (assuming that there is no other change to the issued share capital of the Company).

The conversion shares that may fall to be issued upon exercise of the conversion right attaching to the Bonds will be issued under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM held on 9 April 2019. The conversion shares to be issued upon exercise of the conversion right to the Bonds will be fully paid and rank *pari passu* in all respects with the Shares then in issue on the date on which the name of the exercising bondholder is registered as holder of the relevant conversion shares in the register of members of the Company.

As at 30 June 2021, the total outstanding principal amount of the Bonds was EUR1,000 million (equivalent to RMB7,680 million). There had not been any exercise of conversion right of the Bonds during the financial period, and no redemption right had been exercised by the bondholders or the Company during the financial period.

OTHER INFORMATION

Assuming the Bonds were fully converted on 30 June 2021, the shareholdings of the Company immediately before and after the full conversion of the Bonds are set out below for illustration purposes:

Name of Shareholders	Shareholding immediately before the full conversion of the Bonds		Upon full conversion of the Bonds at the conversion price of HKD104.05 each	
	Number of Shares	Approximate % of issued share capital of the Company	Number of Shares	Approximate % of issued share capital of the Company
Anta International ^(Note)	1,285,625,000	47.56%	1,285,625,000	46.14%
Anda Holdings ^(Note)	160,875,000	5.95%	160,875,000	5.77%
Anda Investments ^(Note)	115,500,000	4.27%	115,500,000	4.15%
Shine Well	9,446,000	0.35%	9,446,000	0.34%
Talent Trend	1,000,000	0.04%	1,000,000	0.04%
Bondholders	–	–	83,100,432	2.98%
Other Shareholders	1,130,883,000	41.83%	1,130,883,000	40.58%
Total	2,703,329,000	100.00%	2,786,429,432	100.00%

Note: Each of Anda Holdings and Anda Investments is wholly-owned by Anta International.

Based on the cash and cash equivalents and the fixed deposits held at banks with maturity over three months as at 30 June 2021, the Company has the ability to meet its redemption obligation under the Bonds.

Please refer to note 17(c) to the interim financial report for further details of the Bonds.

Bondholders to convert or redeem

The analysis of the Company's share price at which it would be equally financially advantageous for the bondholders to convert or redeem the Bonds based on their implied rate of return (and therefore the bondholders would be indifferent as to whether the Bonds are converted or redeemed) at certain dates in the future is as follows:

Date	31 December 2021	30 June 2022
Company's share price	HKD112.74	HKD113.41

SHARE OPTION SCHEMES

Share Option Scheme I

The Company adopted a share option scheme ("Share Option Scheme I") pursuant to the shareholders' written resolution passed on 11 June 2007. The Board may, at its absolute discretion, offer options to eligible persons (as defined in the Share Option Scheme I) to subscribe for such number of shares of the Company in accordance with the terms set out in the Share Option Scheme I. Each option gives the holder the right to subscribe for one ordinary share of the Company.

Pursuant to a resolution passed by shareholders of the Company at the AGM held on 6 April 2017, the Share Option Scheme I was terminated. All outstanding share options granted under the Share Option Scheme I would continue to be valid and exercisable until expiry. On 14 September 2020, all outstanding share options granted but not exercised under the Share Option Scheme I were expired and forfeited.

Share Option Scheme II

Pursuant to a resolution passed by the shareholders of the Company at the AGM held on 6 April 2017, to enable the continuity of terminated Share Option Scheme I, the Company adopted a new share option scheme ("Share Option Scheme II") which has similar terms as Share Option Scheme I. The Share Option Scheme II shall be valid and effective for a period of 10 years from the adoption of the scheme on 6 April 2017.

The purpose of the Share Option Scheme II is to motivate Eligible Persons (as defined in the Share Option Scheme II) to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined in the Share Option Scheme II), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The Board may, at its absolute discretion, offer options to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme II to:

- (a) any proposed executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group;
- (b) a director or proposed director (including an independent non-executive director) of any member of the Group;
- (c) a direct or indirect shareholder of any member of the Group;
- (d) a supplier of goods or services to any member of the Group;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and
- (g) an associate of any of the foregoing persons.

OTHER INFORMATION

Subject to the terms of the Share Option Scheme II, the Board shall be entitled at any time within 10 years after the adoption date to offer the grant of an option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme II) determine (provided the same shall be a board lot for dealing in the Shares on the Hong Kong Stock Exchange or an integral multiple thereof).

The exercise price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the exercise price must be at least the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotations sheet on the offer date; and
- (c) the average closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date.

An offer of the grant of an option shall remain open for acceptance by the Eligible Persons for a period of 30 days from the offer date provided that no such grant of an option may be accepted after the expiry of the effective period of the Share Option Scheme II. An option shall be deemed to have been granted and accepted by the Eligible Persons and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.0 by way of consideration for the grant thereof is received by the Company on or before 30 days after the offer date. Such remittance shall in no circumstances be refundable.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme II and any other schemes of the Group shall not in aggregate exceed 10% of the issued shares of the Company as at the adoption date of the scheme (i.e. 267,753,910). The Company may at any time as the Board may think fit seek approval from its Shareholders in general meeting to refresh the limit in accordance with the terms of Shares Option Scheme II. Also, the maximum number of Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme II and other share option schemes shall not exceed 30% of the number of issued shares of the Company from time to time. Unless approved by the Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any grantee if the acceptance of those options would result in the total number of shares issued and to be issued to that grantee on exercise of his options during any 12 month period exceeding 1% of the total shares of the Company (or its subsidiary) then in issue.

An option may be exercised in accordance with the terms of the Share Option Scheme II at any time during a period as determined by the Board, which must not be more than 10 years from the date of grant. As at 30 June 2021, the remaining life of the Share Option Scheme II is around 5.5 years.

No options were granted, exercised, lapsed or cancelled under the Share Option Scheme II during the financial period. As at 30 June 2021, there were no outstanding options under the Share Option Scheme II.

SHARE AWARD SCHEME

The Company adopted the share award scheme (“Share Award Scheme”) on 19 October 2018 in which employees of the Group will be entitled to participate, and shall be valid and effective for a term of 10 years commencing on the adoption date. The specific objectives of the Share Award Scheme are (i) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Pursuant to the Share Award Scheme, existing shares of the Company will be purchased by the professional trustee (which is independent of and not connected with the Company) appointed by the Company for the administration of the scheme from the open market out of cash contributed by the Group and be held in trust for selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the scheme.

The Board shall not make any further award of Shares to selected employees which will result in the number of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the number of the issued shares of the Company from time to time.

Pursuant to the Share Award Scheme, awarded shares held by the trustee(s) upon the trust and which are referable to a selected employee shall not vest in the selected employee if, amongst others, the selected employee has been terminated by the Group because of, amongst others, (i) dishonesty or serious misconduct; (ii) incompetence or negligence in the performance of his duties; (iii) becoming bankrupt; and (iv) being convicted for any criminal offence involving his integrity or honesty.

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company.

During the financial period, pursuant to the Share Award Scheme, no ordinary shares (2020: 6,319,000) in the Company were purchased from the open market by the trustee. Total consideration paid during the financial period, including all relevant expenses, were nil (2020: RMB368 million). As at 30 June 2021, the trustee of the Share Award Scheme held a total of 12,337,917 (31 December 2020: 14,321,333) Shares. As at 30 June 2021, the remaining life of the Share Award Scheme is around 7 years, subject to any early termination as may be determined by the Board pursuant to the rules relating to the Share Award Scheme (as amended from time to time).

Subject to the scheme rules and the fulfilment of the vesting conditions as set out in the grant notice to each grantee, the awarded shares held by the trustee shall vest in the respective grantee, and the trustee shall cause the awarded shares to be transferred to such grantee on the vesting date (or as soon as practicable after the vesting date), or the trustee shall effect the sale of such awarded shares at the prevailing market price on the Hong Kong Stock Exchange on behalf of the grantee and transfer the sale proceeds from the vested awarded shares (after deduction of applicable tax and other expenses) to the grantee on the vesting date (or as soon as practicable after the vesting date), in accordance with the terms of the scheme rules and the trust deed.

The movement of awarded shares granted but not vested (subject to certain vesting conditions) under the Share Award Scheme during the financial period were as follows:

Name or category of participant	Number of awarded shares					
	As at 1 January 2021	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2021
Director						
Mr. Lai Shixian	800,000	–	(200,000)	–	–	600,000
Employees other than Director (including ex-employees)						
In aggregate	7,958,000	–	(1,783,416)	(356,584)	–	5,818,000
Total	8,758,000	–	(1,983,416)	(356,584)	–	6,418,000

OTHER INFORMATION

PURCHASES, SALES AND REDEMPTIONS OF LISTED SECURITIES

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the financial period.

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 has 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 financial period. 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 management and the Board, which comprises experienced and high caliber individuals. During the financial period, the Board comprised 5 Executive Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors. Since 1 July 2021, the Board has 6 Executive Directors, 1 Non-Executive Director and 4 Independent Non-Executive Directors and therefore has a strong independence element in its composition.

The Company has established written guideline no less exacting than the Model Code for the Directors in respect of their dealings in the Company's securities ("Code for Securities Transactions"). Our management's dealings in the Company's securities are also subject to the Code for Securities Transactions for those who have access to potential inside information, and are recorded in the register under the Code of Securities Transactions. The Company has further made specific enquiries to all the Directors and they have confirmed their compliance with the required standards set out in the Code for Securities Transactions regarding the Directors' securities transactions during the financial period. During the financial period, no incident of non-compliance with the Code of Securities Transactions was noted by the Company.

APPOINTMENTS OF DIRECTORS AND BOARD COMMITTEE MEMBERS

Mr. Bi Mingwei has been appointed as an Executive Director and Ms. Wang Jiaqian has been appointed as an Independent Non-Executive Director, a member of the audit committee, the risk management committee and the remuneration committee of the Company with effect from 1 July 2021.

Mr. Bi Mingwei (畢明偉), aged 49, is an Executive Director of the Company and a vice president of the Group. He is primarily responsible for various middle and back office functions of the Group, including operation financial management, business process and information management and logistics management, etc. He joined the Group in May 2007 and has over 20 years of experience in financial management and sportswear industry. Mr. Bi holds a bachelor's degree in accounting from the University of International Business and Economics in China. He is a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. Bi is a Fujian Province People's Congress deputy.

Mr. Bi is appointed by way of a service agreement with a term of 3 years. Pursuant to the Company's articles of association, his appointment is subject to retirement by rotation and will be eligible for re-election at the next following AGM.

Ms. Wang Jiaqian (王佳茜), aged 42, is an Independent Non-Executive Director of the Company and joined the Board in July 2021. She holds a bachelor's degree in English from the Nanjing University and a master's degree in finance from the Peking University in China. She is currently Director of Planning and Governance of Chanel Asia Pacific and a member of Executive Leadership Committee of Chanel Mainland China of Chanel Limited, leading strategic planning cycle and client-centric data transformation businesses. Ms. Wang was employed by Boston Consulting Group, a global management consulting firm, from September 2010 to June 2019 with her last position as Managing Director and Global Partner. She has over 15 years of experience in strategy and business consulting in retail and consumer products sector.

Ms. Wang is appointed by way of a letter of appointment with a term of 3 years. Pursuant to the Company's articles of association, her appointment is subject to retirement by rotation and will be eligible for re-election at the next following AGM.

Ms. Wang has confirmed that she meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

REVIEW OF INTERIM REPORT

The interim financial report for the six months ended 30 June 2021 is unaudited, but has been reviewed 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, by KPMG, whose report on review of interim financial report is set out on page 47 of this interim report. This interim report, including the interim financial report, has also been reviewed by the audit committee of the Company and approved by the Board.

GLOSSARY

AGM

The annual general meeting of the Company or any adjournment thereof

AMER SPORTS

Amer Sports Oy (Amer Sports Corporation), a sporting goods company incorporated in the Republic of Finland

ANDA HOLDINGS

Anda Holdings International Limited

ANDA INVESTMENTS

Anda Investments Capital Limited

ANTA

ANTA brand

ANTA INTERNATIONAL

Anta International Group Holdings Limited

ANTA KIDS

ANTA KIDS brand, which offers ANTA products for children

ANTA SPORTS/COMPANY

ANTA Sports Products Limited

ANTA STORE(S)

ANTA retail store(s)

AS HOLDING

Amer Sports Holding (Cayman) Limited

BOARD

The Board of Directors of the Company

BVI

The British Virgin Islands

CAGR

Compound annual growth rate

CHINA/PRC

People's Republic of China

COC

Chinese Olympic Committee

CSD

Chinese Sports Delegation

DESCENTE

DESCENTE brand

DESCENTE STORE(S)

DESCENTE retail store(s)

DTC

Direct to Consumer

EBITDA

Earnings before interest, taxes, depreciation and amortisation

EURO, EUR

Euro, the lawful currency of European Union

EXECUTIVE DIRECTORS

Executive directors of the Company

FILA

FILA brand

FILA FUSION

The sub-brand of FILA, which offers youth's trendy clothing

FILA KIDS

FILA KIDS brand, which offers FILA products for children

FILA STORE(S)

FILA retail store(s)

GDP

Gross Domestic Product

GROUP

The Company and its subsidiaries

HONG KONG

The Hong Kong Special Administrative Region of the PRC

HONG KONG DOLLARS, HKD

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

IP

Intellectual property

KOLON SPORT

KOLON SPORT brand

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

MACAO

The Macao Special Administrative Region of the PRC

MAINLAND CHINA

Mainland of China, geographically excluding Hong Kong, Macao and Taiwan

NON-EXECUTIVE DIRECTOR

Non-executive director of the Company

OEM

Original Equipment Manufacturer

O2O MODEL

Online-to-offline commerce

PANDEMIC

2019 novel coronavirus disease (COVID-19)

PERIOD

6 months ended 30 June 2021

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

SINGAPORE

Republic of Singapore

US

the United States of America

USD

United States dollars, the lawful currency of the United States of America

INVESTORS INFORMATION

STOCK CODES

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

SHARE INFORMATION

Listing Day:	10 July 2007
Board lot size:	1,000 shares
Numbers of issued shares:	2,703,329,000 shares (As at 30 June 2021)

DIVIDENDS

HK cents	2017	2018	2019	2020	2021
Interim dividend	41	50	31	21	60
Final dividend	41	28	36	47	
Special dividend	16	-	-	-	

INVESTOR RELATIONS CONTACTS

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IR website: ir.anta.com
Brand website: www.anta.com

IMPORTANT DATES

24 August 2021	Interim results announcement
7 September 2021 4:30 p.m.	Record date of 2021 interim dividend
On or about 20 September 2021	Payment date of 2021 interim dividend
31 December 2021	Financial year end date of 2021

Mens Creation Ltd. – concept and design
www.menscreation.hk

JAN Financial Press Limited– production and printing
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