

HISTORY AND DEVELOPMENT

Our Group was founded in 1994 by Mr. Ding Siren, who is the father-in-law of our executive Director Mr. Ding Shizhong. He incorporated ANTA Fujian and ANTA China in 1994 and 2000, respectively, under his trade name 安踏企業公司 (On Tap Enterprise Co.*), which he used in carrying out business in Hong Kong as a sole proprietor to manufacture and sell sports footwear in the PRC. ANTA Fujian and ANTA China had a registered capital of HK\$5 million (equivalent to approximately RMB4.9 million) and HK\$35 million (equivalent to approximately RMB34.3 million), respectively, at the time of their incorporation. In 2000 and 2002 respectively, Mr. Ding Siren under his trade name 安踏企業公司 (On Tap Enterprise Co.*) contributed HK\$5 million (equivalent to approximately RMB4.9 million) and HK\$10 million (equivalent to approximately RMB9.8 million) to the registered capital of ANTA Fujian. Commerce & Finance Law Offices, the PRC legal adviser of our Company, has confirmed that according to the then applicable PRC laws and regulations, a foreign company, enterprise, entity or individual may be the shareholder of a foreign invested company. Mr. Ding Siren is a permanent resident of Hong Kong and 安踏企業公司 (On Tap Enterprise Co.*) is registered in Hong Kong. Accordingly, our PRC legal adviser, Commerce & Finance Law Offices, confirmed that the incorporation of ANTA China as a wholly foreign-owned enterprise was legal and valid under the then applicable PRC laws and regulations.

In April 2002, Jinjiang Shifa became a shareholder of ANTA Fujian by contributing RMB30 million worth of manufacturing equipment and related assets and thereafter, it held a 60% equity interest in ANTA Fujian and Mr. Ding Siren held the remaining 40% equity interest under his trade name 安踏企業公司 (On Tap Enterprise Co.*). When it became the shareholder of ANTA Fujian, Jinjiang Shifa's equity interests were held as to 60% by Mr. Ding Hemu (father of Mr. Ding Shizhong), 10% by Mr. Ding Shizhong, 10% by Mr. Ding Shijia (brother of Mr. Ding Shizhong and an executive Director), 10% by Ms. Ding Youmian (spouse of Mr. Ding Shizhong) and 10% by Ms. Ding Liming (spouse of Mr. Ding Shijia). On May 1, 2002, Mr. Ding Siren executed an agreement to assign his beneficial interests in ANTA Fujian and ANTA China to Mr. Ding Shizhong at nil consideration and agreed to continue to hold such interests in both ANTA Fujian and ANTA China on trust for Mr. Ding Shizhong. On the same date, all shareholders of Jinjiang Shifa executed an agreement to assign their beneficial interests in Jinjiang Shifa to Mr. Ding Shizhong at nil consideration and agreed to continue to hold such interests in Jinjiang Shifa on trust for Mr. Ding Shizhong. Commerce & Finance Law Offices, our PRC legal adviser, has confirmed that the agreements executed by Mr. Ding Siren and the shareholders of Jinjiang Shifa were legal and valid under PRC laws and regulations. As a result, Mr. Ding Shizhong became the sole beneficial owner of both ANTA Fujian and ANTA China. In the same year, ANTA China acquired the land at Jinjiang, Fujian to construct our Jinjiang footwear production facility.

To commence sales of our accessory products, in August 2002, ANTA Jinjiang was incorporated by Mr. Wang Wenmo (cousin of Mr. Ding Shizhong and an executive Director), Ms. Ding Yali (sister of Mr. Ding Shizhong) and Ms. Ding Youmian (spouse of Mr. Ding Shizhong), and by an agreement dated July 1, 2002, each of the above individuals agreed to act as trustees and to hold their respective equity interests in ANTA Jinjiang on trust for Mr. Ding Shizhong. The trust agreement dated July 1, 2002 was entered into when the parties had decided to establish ANTA Jinjiang and the business license of ANTA Jinjiang was subsequently issued in around August 2002. The time difference was a result of the administrative processes required for the establishment and issue of the business license for ANTA Jinjiang. Commerce & Finance Law Offices, the PRC legal adviser of our Company, has confirmed that the agreement executed by Mr. Wang Wenmo, Ms. Ding Yali and Ms. Ding Youmian was legal and valid under PRC laws and regulations.

In November 2002 and July 2003, Mr. Ding Shizhong, under his trade name 安大國際貿易投資公司 (Anda International Trade Investment Co.*), which he used in carrying out business in Hong Kong as a sole proprietor, contributed HK\$50 million and HK\$10 million, respectively, to the registered capital of ANTA China, which was increased to HK\$95 million. As a result, the registered shareholders of ANTA China were

HISTORY AND CORPORATE STRUCTURE

Mr. Ding Siren, under his trade name 安踏企業公司 (On Tap Enterprise Co.*), as to 36.8% and Mr. Ding Shizhong, under his trade name 安大國際貿易投資公司 (Anda International Trade Investment Co.*), as to 63.2%.

On December 1, 2002, by an agreement executed by Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Ding Hemu, Ms. Ding Yali, Mr. Wang Wenmo and Mr. Ke Yufa, Mr. Ding Shizhong divided his equity interests in each of ANTA Fujian, ANTA China and ANTA Jinjiang such that the beneficial interests were held by Mr. Ding Shizhong as to 39.5%, Mr. Ding Shijia as to 34%, Mr. Ding Hemu as to 7%, Ms. Ding Yali as to 9.75%, Mr. Wang Wenmo as to 9.5% and Mr. Ke Yufa as to 0.25%. Mr. Ding Shizhong executed this agreement to assign the designated percentage of his beneficial interests in each of ANTA Fujian, ANTA China and ANTA Jinjiang to the other Controlling Shareholders in order to divide the relevant interests among his family members and in consideration of their contributions to the development of our Group. No monetary consideration was paid for such assignments. Commerce & Finance Law Offices, our PRC legal adviser, has confirmed that such agreement was legal and valid under PRC laws and regulations.

On December 1, 2003, by an agreement executed by each of the Controlling Shareholders, their percentages of beneficial interests in ANTA Fujian, ANTA China and ANTA Jinjiang were changed to Mr. Ding Shizhong as to 34.5%, Mr. Ding Shijia as to 34%, Mr. Ding Hemu as to 7%, Ms. Ding Yali as to 9.75%, Mr. Wang Wenmo as to 9.5%, Mr. Wu Yonghua as to 5% and Mr. Ke Yufa as to 0.25%. This agreement was executed by the Controlling Shareholders and provided for the assignment by Mr. Ding Shizhong of his 5% beneficial interest in each of ANTA Fujian, ANTA China and ANTA Jinjiang to Mr. Wu Yonghua in consideration of his joining our Group and no monetary consideration was paid for such assignment. Commerce & Finance Law Offices, our PRC legal adviser, has confirmed that such agreement was legal and valid under PRC laws and regulations.

On March 15, 2005, Anda Hong Kong contributed HK\$50 million to the registered capital of ANTA China, which was increased to HK\$145 million. After the contribution by Anda Hong Kong, the registered shareholders of ANTA China were Mr. Ding Siren, under his trade name 安踏企業公司 (On Tap Enterprise Co.*) as to 24.1%, Mr. Ding Shizhong, under his trade name 安大國際貿易投資公司 (Anda International Trade Investment Co.*) as to 41.4% and Anda Hong Kong as to 34.5%. At the time, Mr. Ding Shizhong was the sole registered shareholder of Anda Hong Kong but beneficially owned a 34.5% equity interest only and held the remaining equity interest of Anda Hong Kong on trust for Mr. Ding Shijia as to 34%, Mr. Ding Hemu as to 7%, Ms. Ding Yali as to 9.75%, Mr. Wang Wenmo as to 9.5%, Mr. Wu Yonghua as to 5% and Mr. Ke Yufa as to 0.25%. Commerce & Finance Law Offices, our PRC legal adviser, has confirmed that such trust arrangement did not violate any law or regulation of the PRC.

On August 16, 2005, Anda Hong Kong acquired all the interests in ANTA China from Mr. Ding Siren and Mr. Ding Shizhong, who then held such interests on behalf of the Controlling Shareholders, for a consideration of HK\$35 million and HK\$60 million, respectively. In each case, the consideration was calculated based on their respective percentage of equity interests in the registered capital of ANTA China. As a result, Anda Hong Kong became the sole shareholder of ANTA China. In the same year, Anda Hong Kong contributed a further HK\$100 million to the registered capital of ANTA China as a result of which the registered capital of ANTA China increased to HK\$245 million.

To commence our apparel production, ANTA Changting and ANTA Xiamen were both incorporated by Anda Hong Kong in 2006 to construct and operate our apparel production facilities. ANTA Changting commenced its apparel production in the second quarter of 2007. ANTA Xiamen is expected to commence its apparel production in the third quarter of 2007.

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To leverage our strong sales and marketing resources and our experience in the sportswear market in the PRC, we expanded our business operation into the PRC sportswear retail business in 2007. In 2006, ANTA China, through its wholly-owned subsidiary, Xiamen Investment, established Shanghai Fengxian to engage in the sportswear retail business selling adidas, Reebok and Kappa branded products. Shanghai Fengxian further established Beijing Fengxian, Guangzhou Fengxian, Harbin Fengxian, Suzhou Fengxian and Xiamen Fengxian in 2006 and 2007 to operate and manage our retail outlets in different cities across China. Please refer to the paragraph headed “Retail Business” in the “Business” section of this prospectus for further details of our retail business.

In preparation for the Listing, we underwent the Corporate Reorganization, details of which are set out below.

CORPORATE REORGANIZATION OF OUR GROUP

In contemplation of the Listing, our Group underwent the Corporate Reorganization prior to the Listing in order to:

- acquire production facilities and trademarks from ANTA Fujian;
- acquire patents from Mr. Ding Shizhong;
- dissolve ANTA Jinjiang which formed part of our Group during the Track Record Period but no longer served any function within our Group;
- establish new entities in line with our strategies; and
- consolidate our Group’s key manufacturing entities and facilities under the ownership of our Company.

The Corporate Reorganization involved the following major steps:

Acquisition of production facilities and trademarks from ANTA Fujian

As part of our strategic plan to consolidate all existing footwear production lines in our production facilities at Jinjiang, ANTA Fujian will not form part of our Group and transferred its production facilities, including its principal manufacturing equipment and facilities, to ANTA China pursuant to an asset acquisition agreement dated July 30, 2006, for a consideration of approximately RMB3.5 million, determined based on an asset valuation conducted by an independent PRC valuer.

ANTA Fujian also transferred all trademarks registered in its name or for which it has applied for registration related to our business operations to ANTA China at nil consideration in view of the facts that the costs of registering the relevant trademarks and the promotion of the ANTA brand had been paid by us. ANTA Fujian has granted an irrevocable license to us to use such trademarks before the completion of administrative procedures for the transfers. Our Directors consider that the trademark transfer was on normal commercial terms. Please refer to the section headed “Connected Transactions” of this prospectus for details of the license. The transfers of some of such trademarks was completed in June 2007.

There was no other transfer of business apart from the transfer of production facilities and trademarks from ANTA Fujian to ANTA China in July 2006 save as disclosed above.

HISTORY AND CORPORATE STRUCTURE

After the asset transfer, ANTA Fujian ceased to operate its sportswear business. As at the Latest Practicable Date, other than its investment in a local newspaper made prior to the asset transfer, ANTA Fujian did not operate any other businesses. Since the transfer of operations has been treated as a reorganization of businesses under common control for accounting purposes, the production facilities and trademarks transferred from ANTA Fujian have been recognized at historical cost. Any gain or loss arising from the transfer in ANTA Fujian was eliminated on the combination of the financial results of ANTA Fujian and the other companies comprising our Group. As at the Latest Practicable Date, ANTA Fujian's equity interests were held as to 40% by Mr. Ding Siren under his trade name 安踏企業公司 (On Tap Enterprise Co.*) and as to 60% by Jinjiang Shifa.

Pursuant to the Corporate Reorganization, certain business and assets will be retained by ANTA Fujian, a predecessor entity of our Group, and had been treated as a deemed distribution by our Group upon our Company becoming the holding company of our Group on June 16, 2007.

Acquisition of patents from Mr. Ding Shizhong

As part of the Corporate Reorganization, Mr. Ding Shizhong transferred all patents registered in his name or for which he has applied for registration related to our business to ANTA China at nil consideration in view of the facts that the costs of developing the relevant technology and the applications for the patents had been paid by us. The Directors consider that the patent transfer was on normal commercial terms.

Dissolution of ANTA Jinjiang

During the Track Record Period, ANTA Jinjiang was responsible for our accessory business. ANTA Jinjiang transferred its inventories to ANTA China and ceased its business operations towards the end of the Track Record Period and was dissolved in November 2006. The transfer of operations from ANTA Jinjiang has been treated as a reorganization of businesses under common control for accounting purposes. Any gain or loss arising from such a transfer in ANTA Jinjiang has been eliminated on the combination of the financial results of ANTA Jinjiang and the other companies comprising our Group. Our accessory business is now operated by ANTA China, which is our major operating subsidiary.

Incorporation of new entities

ANTA Changting and ANTA Xiamen were incorporated by Anda Hong Kong as wholly foreign-owned enterprises in the PRC on February 20, 2006 and August 14, 2006, respectively, for the establishment of our apparel production facilities.

Keen Power was incorporated by Anta Enterprise as a limited liability company in Hong Kong on August 17, 2006 to coordinate our overseas operations in the future, including procurement of raw materials from overseas suppliers and coordination of sales of our products in overseas markets.

Xiamen Investment was incorporated by ANTA China as a limited liability company in the PRC on June 1, 2006 for the purpose of investment holding. It established Shanghai Fengxian as a limited liability company in the PRC on October 20, 2006. Shanghai Fengxian was established to engage in the sportswear retail business selling adidas, Reebok and Kappa branded products. Please refer to the paragraph headed "Retail Business" in the "Business" section of this prospectus for details of our retail business. Shanghai Fengxian further established Beijing Fengxian, Guangzhou Fengxian, Harbin Fengxian, Suzhou Fengxian and Xiamen Fengxian in 2006 and 2007 to operate and manage our retail outlets for adidas and Reebok branded products in different cities across China.

ANTA Quanzhou was incorporated by Anda Hong Kong as a wholly foreign-owned enterprise in the PRC on January 16, 2007 for the purpose of expanding our production capacity of sports footwear.

Xiamen Trading was incorporated by Motive Force as a wholly foreign-owned enterprise in the PRC on January 18, 2007 to act as the sales and trading center of our ANTA products.

Incorporation of offshore investment vehicles and our Company

To prepare for the Listing, the Controlling Shareholders incorporated three offshore investment vehicles in the BVI, namely Anta International, Anda Investments and Anda Holdings to hold their interests in our Company in August 2006. Our Company was incorporated in the Cayman Islands as the holding company of our Group on February 8, 2007.

On August 22, 2006, Anta Enterprise and Motive Sports were incorporated by Anta International, Anda Investments and Anda Holdings as investment holding companies to hold our interests in other members of our Group.

On April 4, 2007, Anta Enterprise entered into an agreement with the Controlling Shareholders to acquire the entire issued share capital of Anda Hong Kong for a nominal consideration of HK\$1.0. On the same date, Anta Enterprise entered into a deed of assignment of shareholders' loans to acquire shareholders' loans of an aggregate amount of approximately HK\$144.4 million provided by the Controlling Shareholders to Anda Hong Kong for a nominal consideration of HK\$1.0.

On June 16, 2007, our Company acquired the entire issued share capital of each of Anta Enterprise and Motive Force held by Anta International, Anda Holdings and Anda Investments for a consideration satisfied by us (i) crediting as fully paid the 8,325, 975 and 700 nil paid Shares in the issued share capital of our Company held by Anta International, Anda Holdings and Anda Investments, respectively; and (ii) allotting and issuing 1,298,700, 152,100 and 109,200 Shares, respectively, to Anta International, Anda Holdings and Anda Investments. As a result of the acquisition, our Company became the holding company of our Group.

For further details on the Corporate Reorganization, please refer to the section headed "Further information about our Group" in Appendix VI to this prospectus.

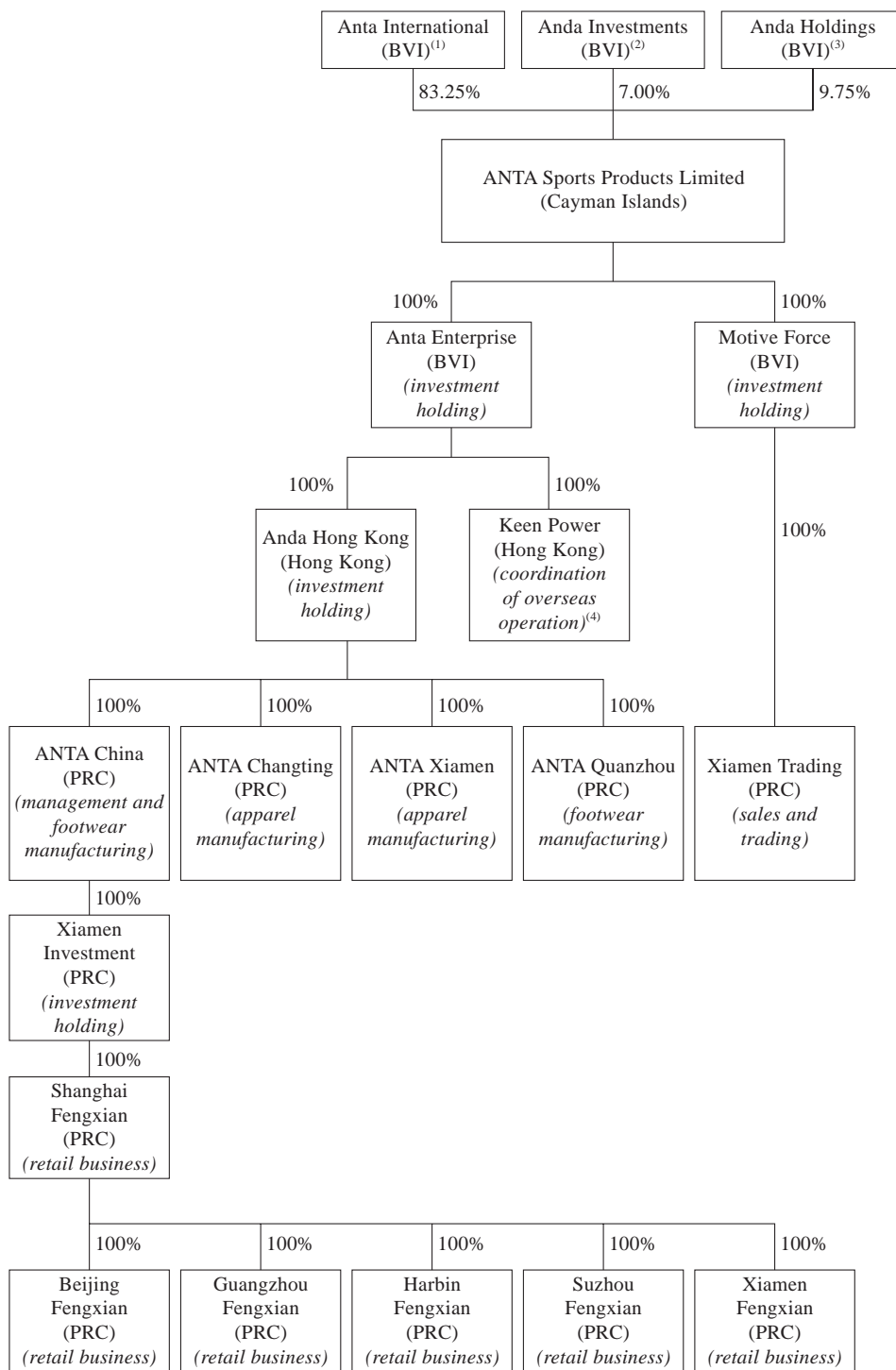
OUR CORPORATE REORGANIZATION AND THE REGULATION ON THE MERGER AND ACQUISITION OF DOMESTIC ENTERPRISES BY FOREIGN INVESTORS

On September 8, 2006 (the "Effective Date"), the Rules on the Acquisition of Domestic Enterprises by Foreign Investors in the PRC (關於外國投資者併購境內企業的規定) (the "M&A Rules") came into effect. Under the M&A Rules, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign-invested enterprise (the "Regulated Activities"). In addition, if a security offering involves a reorganization that falls within the scope of the Regulated Activities, approval from the China Securities Regulatory Commission is required for the offering. According to Commerce & Finance Law Offices, our Company's PRC legal adviser, neither ANTA China nor its shareholders have conducted any Regulated Activities after the Effective Date and none of ANTA China, ANTA Changting, ANTA Xiamen, ANTA Quanzhou, Xiamen Trading and the other subsidiaries of our Company was acquired by a foreign investor within the meaning of the M&A Rules. The M&A Rules therefore are not applicable to the above-mentioned companies and the Global Offering and the Listing do not require the approval of the China Securities Regulatory Commission.

The relevant beneficial shareholders of our Group who are PRC nationals have completed their foreign exchange registration of overseas investments at the Quanzhou Branch of SAFE. Our Company's PRC legal adviser has confirmed that the Notice of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration on Domestic Residents to Engage in Financing and Return Investment via Overseas Special Purpose Companies (known as "SAFE Circular 75") has been complied with.

HISTORY AND CORPORATE STRUCTURE

Set out below is the shareholding structure of our Group after the Corporate Reorganization and immediately prior to the Global Offering and the Capitalization Issue:



HISTORY AND CORPORATE STRUCTURE

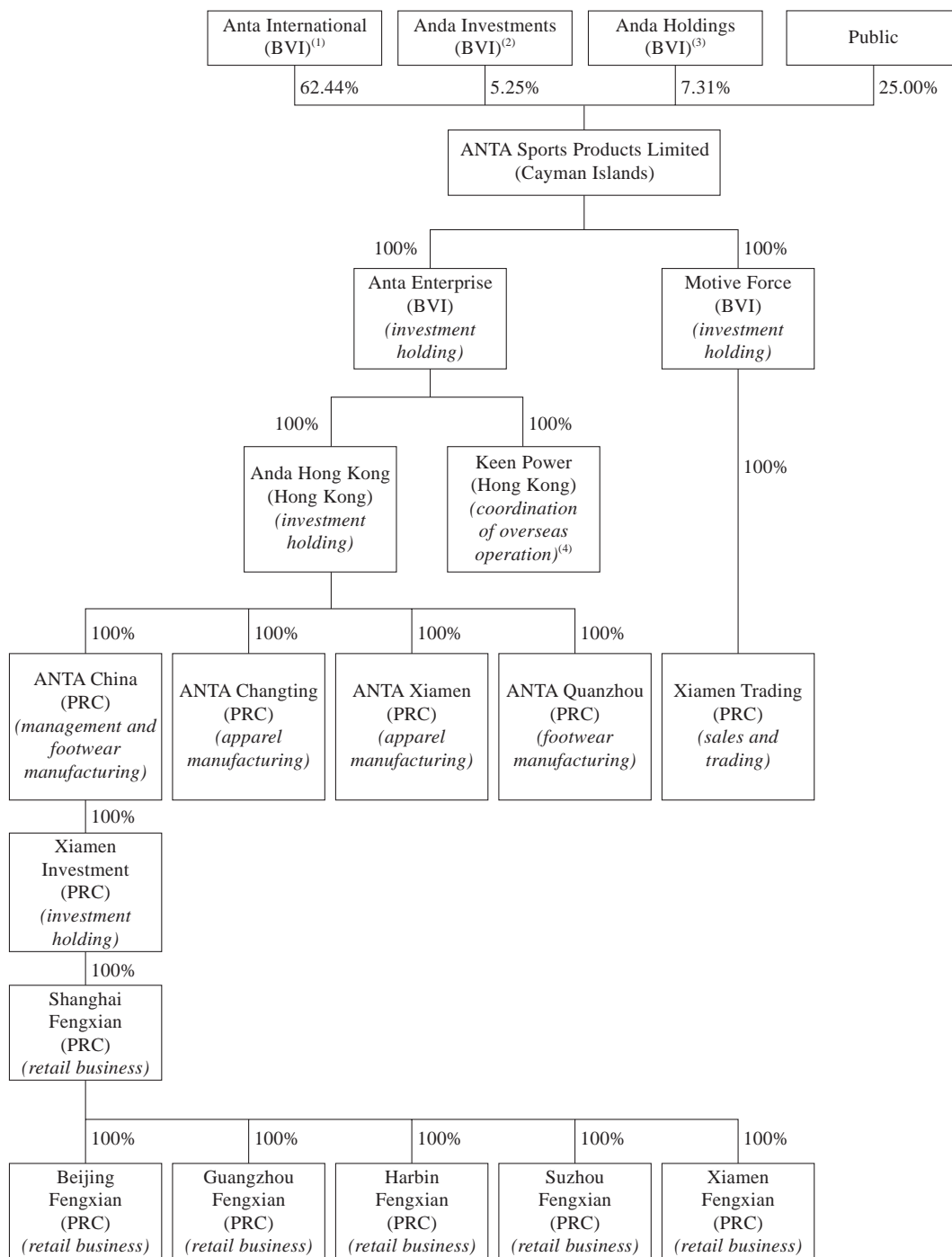
Notes:

- (1) As at the Latest Practicable Date, Anta International is indirectly owned by the following:
 - (a) as to 41.44% by HSBC International Trustee Limited (“HSBC Trustee”) as trustee of the DSZ Family Trust, a discretionary trust set up by Mr. Ding Shizhong for the benefit of his family members. HSBC Trustee holds the 41.44% equity interest in Anta International indirectly through Shine Well (Far East) Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Ding Shizhong is one of our executive Directors;
 - (b) as to 40.84% by HSBC Trustee as trustee of the DSJ Family Trust, a discretionary trust set up by Mr. Ding Shijia for the benefit of his family members. HSBC Trustee holds the 40.84% equity interest in Anta International indirectly through Talent Trend Investment Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Ding Shijia is one of our executive Directors and the elder brother of Mr. Ding Shizhong;
 - (c) as to 11.41% by HSBC Trustee as trustee of the WWM Family Trust, a discretionary trust set up by Mr. Wang Wenmo for the benefit of his family members. HSBC Trustee holds the 11.41% equity interest in Anta International indirectly through Fair Billion Development Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Wang Wenmo is one of our executive Directors and a cousin of Mr. Ding Shizhong;
 - (d) as to 6.01% by HSBC Trustee as trustee of the WYH Family Trust, a discretionary trust set up by Mr. Wu Yonghua for the benefit of his family members. HSBC Trustee holds the 6.01% equity interest in Anta International indirectly through Spread Wah International Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Wu Yonghua is one of our executive Directors; and
 - (e) as to 0.30% by HSBC Trustee as trustee of the KYF Family Trust, a discretionary trust set up by Mr. Ke Yufa for the benefit of his family members. HSBC Trustee holds the 0.30% equity interest in Anta International indirectly through Elegant Dragon Group Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Ke Yufa is a member of our senior management.
- (2) As at the Latest Practicable Date, Anda Investments is indirectly owned by HSBC Trustee as trustee of the DHM Family Trust, a discretionary trust set up by Mr. Ding Hemu for the benefit of his family members. Mr. Ding Hemu is the father of our executive Directors, Mr. Ding Shizhong and Mr. Ding Shijia and the father-in-law of our executive Director, Mr. Lai Shixian.
- (3) As at the Latest Practicable Date, Anda Holdings is indirectly owned by HSBC Trustee as trustee of the DYL Family Trust, a discretionary trust set up by Ms. Ding Yali for the benefit of her issue. Ms. Ding Yali is the sister of our executive Directors, Mr. Ding Shizhong and Mr. Ding Shijia, and the spouse of our executive Director, Mr. Lai Shixian.
- (4) Keen Power was established for overseas operations in the future including procurement of raw materials from overseas suppliers and coordination of sales of our products in overseas markets.

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GROUP STRUCTURE

The following chart sets out the shareholding structure of our Group immediately after the Global Offering (assuming the Over-allotment Option is not exercised) and the Capitalization Issue:



HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) As at the Latest Practicable Date, Anta International is indirectly owned by the following:
 - (a) as to 41.44% by HSBC International Trustee Limited (“HSBC Trustee”) as trustee of the DSZ Family Trust, a discretionary trust set up by Mr. Ding Shizhong for the benefit of his family members. HSBC Trustee holds the 41.44% equity interest in Anta International indirectly through Shine Well (Far East) Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Ding Shizhong is one of our executive Directors;
 - (b) as to 40.84% by HSBC Trustee as trustee of the DSJ Family Trust, a discretionary trust set up by Mr. Ding Shijia for the benefit of his family members. HSBC Trustee holds the 40.84% equity interest in Anta International indirectly through Talent Trend Investment Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Ding Shijia is one of our executive Directors and the elder brother of Mr. Ding Shizhong;
 - (c) as to 11.41% by HSBC Trustee as trustee of the WWM Family Trust, a discretionary trust set up by Mr. Wang Wenmo for the benefit of his family members. HSBC Trustee holds the 11.41% equity interest in Anta International indirectly through Fair Billion Development Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Wang Wenmo is one of our executive Directors and a cousin of Mr. Ding Shizhong;
 - (d) as to 6.01% by HSBC Trustee as trustee of the WYH Family Trust, a discretionary trust set up by Mr. Wu Yonghua for the benefit of his family members. HSBC Trustee holds the 6.01% equity interest in Anta International indirectly through Spread Wah International Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Wu Yonghua is one of our executive Directors; and
 - (e) as to 0.30% by HSBC Trustee as trustee of the KYF Family Trust, a discretionary trust set up by Mr. Ke Yufa for the benefit of his family members. HSBC Trustee holds the 0.30% equity interest in Anta International indirectly through Elegant Dragon Group Limited, an investment company indirectly wholly owned by HSBC Trustee. Mr. Ke Yufa is a member of our senior management.
- (2) As at the Latest Practicable Date, Anda Investments is indirectly owned by HSBC Trustee as trustee of the DHM Family Trust, a discretionary trust set up by Mr. Ding Hemu for the benefit of his family members. Mr. Ding Hemu is the father of our executive Directors, Mr. Ding Shizhong and Mr. Ding Shijia and the father-in-law of our executive Director, Mr. Lai Shixian.
- (3) As at the Latest Practicable Date, Anda Holdings is indirectly owned by HSBC Trustee as trustee of the DYL Family Trust, a discretionary trust set up by Ms. Ding Yali for the benefit of her issue. Ms. Ding Yali is the sister of our executive Directors, Mr. Ding Shizhong and Mr. Ding Shijia, and the spouse of our executive Director, Mr. Lai Shixian.
- (4) Keen Power was established for overseas operations in the future including procurement of raw materials from overseas suppliers and coordination of sales of our products in overseas markets.