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ANTA Sports Products Limited

安踏體育用品有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2020)

2012 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the “Board”) of ANTA Sports Products Limited (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (together referred to as the “Group”) for the six months ended 30 June 2012. This announcement, containing the full text of the 2012 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results. The printed version of the Company’s 2012 Interim Report will be delivered to the shareholders of the Company and will be available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at ir.anta.com at the mid of August 2012.



INTERIM REPORT



ANTA Sports Products Limited
Incorporated in the Cayman Islands with limited liability

Stock Code: 2020



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CORPORATE INFORMATION

Board

Executive Directors

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

Independent Non-Executive Directors

Yeung Chi Tat
Lu Hong Te
Dai Zhongchuan

Company Secretary

Ling Shing Ping *FCCA FCCA*

Board committees

Audit Committee

Yeung Chi Tat (Chairman)
Lu Hong Te
Dai Zhongchuan

Remuneration Committee

Lu Hong Te (Chairman)
Dai Zhongchuan
Ding Shizhong

Nomination Committee

Lu Hong Te (Chairman)
Yeung Chi Tat
Lai Shixian

Authorised representatives

Lai Shixian
Ling Shing Ping

Registered offices

Cayman Islands Office

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

Hong Kong Office

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

Head offices in the PRC

Jinjiang Office

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

Xiamen Office

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

Share registrars and transfer offices

Cayman Islands Principal Register

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

Hong Kong Branch Registrar

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

Legal adviser

Norton Rose Hong Kong

Auditor

KPMG

Internal control review adviser

KPMG Advisory (China) Limited

Public relations consultant

Hill+Knowlton Strategies Asia

Principal bankers

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

RESULTS HIGHLIGHTS

NATIONWIDE DISTRIBUTION NETWORK

RMB
3.93
BILLION

TURNOVER

41.8%

GROSS
PROFIT
MARGIN



60.8%

PAYOUT
RATIO

ANTA
SPORTS
LIFESTYLE
SERIES
STORES
689

ANTA
STORES
7,807

ANTA kids
KIDS
SERIES
STORES
691

Financial performance

- Turnover decreased by 11.6% to RMB3.93 billion
- Gross profit margin decreased by 1.0% points to 41.8%
- Profit attributable to shareholders decreased by 17.0% to RMB769.6 million
- Basic earnings per share decreased by 17.0% to RMB30.86 cents
- 60.8% payout of the profit attributable to equity shareholders
- Free cash inflow increased by 37.8% to RMB827.1 million

Operational performance

- Number of ANTA stores reached 7,807
- Total sales floor area of ANTA stores increased to approximately 966,000 sq.m.
- Average sales floor area per ANTA store increased to 124 sq.m.



FINANCIAL OVERVIEW

Six months ended 30 June	2012	2011	Changes
	(RMB million)	(RMB million)	(%)
Turnover	3,934.1	4,451.4	↓ 11.6
Gross profit	1,643.7	1,905.1	↓ 13.7
Profit from operations	899.7	1,096.5	↓ 17.9
Profit attributable to equity shareholders	769.6	927.3	↓ 17.0
Free cash inflow	827.1	600.2	↑ 37.8
	(RMB cents)	(RMB cents)	(%)
Earnings per share			
– Basic	30.86	37.18	↓ 17.0
– Diluted	30.80	37.08	↓ 16.9
Shareholders' equity per share	265.56	244.42	↑ 8.6
	(HK cents)	(HK cents)	(%)
Interim dividend per share	23	26	↓ 11.5
	(%)	(%)	(% points)
Gross profit margin	41.8	42.8	↓ 1.0
Operating profit margin	22.9	24.6	↓ 1.7
Margin of profit attributable to equity shareholders	19.6	20.8	↓ 1.2
Effective tax rate	22.0	20.4	↑ 1.6
Advertising and promotional expenses (as a percentage of turnover)	10.4	12.6	↓ 2.2
Staff costs (as a percentage of turnover)	8.8	8.4	↑ 0.4
R&D costs (as a percentage of cost of sales)	3.8	3.5	↑ 0.3

As at 30 June	2012	2011	Changes
	(%)	(%)	(% points)
Gearing ratio ⁽¹⁾	5.8	–	↑ 5.8
Average total shareholders' equity to average total assets	74.9	80.5	↓ 5.6
Return on average total shareholders' equity (annualised) ⁽²⁾	23.8	31.8	↓ 8.0
Return on average total assets (annualised) ⁽³⁾	17.8	25.6	↓ 7.8
	(in 182 days)	(in 181 days)	(days)
Average inventory turnover days ⁽⁴⁾	50	36	↑ 14
Average trade receivables turnover days ⁽⁵⁾	35	24	↑ 11
Average trade payables turnover days ⁽⁶⁾	50	34	↑ 16

Cautionary Statement Regarding Forward-Looking Statements

This Interim Report 2012 contains certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, that include wordings like "potential", "estimated", "expects", "anticipates", "objective", "intends", "plans", "believes", "estimates", and similar expressions or variations on such expressions may be considered "forward-looking statements".

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

Notes:

- (1) Gearing ratio is equal to the bank loan divided by the total assets at the end of the relevant period.
- (2) Return on average total shareholders' equity is equal to the profit attributable to the equity shareholders divided by the average balance of total shareholders' equity.
- (3) Return on average total assets is equal to the profit attributable to the equity shareholders divided by the average balance of total assets.
- (4) Average inventory turnover days is equal to the average balance of inventories divided by the cost of sales and multiplied by the number of days in the relevant period.
- (5) Average trade receivables turnover days is equal to the average balance of trade receivables (after provision for doubtful debts) divided by the turnover and multiplied by the number of days in the relevant period.
- (6) Average trade payables turnover days is equal to the average balance of trade payables divided by the cost of sales and multiplied by the number of days in the relevant period.



G U O J I N G J I N G

RECORD BOOK OF 2012 FIRST HALF

J A N U A R Y



Received Certificate of Accreditation from the CNAS

ANTA Sports' testing laboratory was accredited by the CNAS, showing that our laboratory is nationally and internationally recognised for its management standards and assessment capabilities.



Expanded the Kids Sportswear Series

ANTA Sports optimised and expanded the Kids Sportswear series to catch our target age group of 3 to 14 year olds, enhancing our penetration into the children's sportswear market.

M A R C H



Continued to Lead in the Footwear Market

ANTA Sports was ranked first in terms of market share by the China General Chamber of Commerce and the China National Commercial Information Centre for the 11th consecutive year.

A P R I L



Introduced A-Silo Technology to Strengthen our Running Series Further

ANTA Sports launched A-Silo technology, which comprises individual nodes that effectively reduce plantar pressure and offers maximum comfort to lightweight runners.



Held the Third Outdoor Street Basketball League

ANTA Sports held the third Outdoor Street Basketball League at 45 high schools in 12 Chinese cities. More than 10,000 players participated in over 2,000 exciting matches.

J U N E



Tailor-made Winning Outfit for the London Olympics CSD

ANTA Sports launched "Champion Dragon Outfit", the winning outfit we designed for the CSD of the London Olympics. ANTA Sports also kicked off its comprehensive Olympics marketing strategies to gain brand recognition.

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board, I am pleased to present the Group's interim results for the six months ended 30 June 2012.

We Take Prudent Approaches to Reduce Risk

The moderate inflation in China during the first half of 2012 left the Chinese government more room to adjust its policies to spur the economy. However, China's GDP and retail sales growth showed continuous slowdowns due to volatility in the global economy. Facing challenging market conditions and weakening consumer sentiment in China, we prudently reviewed and adjusted the orders placed by our distributors so as to minimise the potential risks in our retail channels. The decline in orders resulted in negative sell-in revenue growth, thereby causing the Group's turnover to drop by 11.6% to RMB3.93 billion during the period (2011 1H: RMB4.45 billion). Profit attributable to equity shareholders also decreased by 17.0% to RMB769.6 million (2011 1H: RMB927.3 million), and basic earnings per share were RMB30.86 cents (2011 1H: RMB37.18 cents). To maintain a stable dividend policy, the Board proposed an interim dividend of HK23 cents per ordinary share (2011 interim dividend: HK26 cents).

We Grow Stronger with the Launch of Our Olympics Marketing Strategy

Amid the challenges and intense competition in the sportswear industry, the Group continued to

stay focused on our mass market positioning while at the same time enhancing our strengths, which include our brand equity, distribution network and product innovation. Our exclusive four-year sportswear partnership with the COC offers us an excellent opportunity to stand out among our peers during the London Olympics. We were able to successfully draw public attention to ANTA through our comprehensive Olympics marketing strategy in cooperation with the COC and the IOC's partners. The ANTA-designed "Champion Dragon Outfit" has not only been highly visible when worn by the London Olympics CSD at the awards podium, but has also been on display at Procter & Gamble booths, McDonald's restaurants and Hilton hotels across various parts of China. Furthermore, we have integrated the classic logos of past Olympic Games into our IOC products, echoing our eye-catching Olympics-themed advertising and promotional campaign at major ANTA stores.

We Innovate to Serve Both Athletes and Consumers

Innovation is one of the keys to our success. Our strong capacity for innovation continues to bring us greater differentiation and extends our leading position in China's sportswear market. Following the successful development of A-Jelly technology, we achieved a significant breakthrough by enhancing the softness of our specially-designed shoe soles through the introduction of A-Silo technology. The A-Silo running shoe offers excellent comfort to recreational runners while the A-Jelly running shoe provides stability and cushioning to professional runners, allowing us to serve more customers through our wide range of



innovative products. In addition, with the integration of advanced fabrics and highly durable rubber, A-HardcourtRB, featured in our signature basketball products, also received a strong response from basketball lovers. Due to our consistent efforts in innovation, we have been named the top seller of travel and sports shoes in China in terms of market share for the 11th consecutive year. Our testing laboratory also received accreditation from the CNAS, demonstrating the strict quality control over ANTA products.

We Strive to Maintain the Stability of Our Distribution Network

Problems with inventory and deep discounting continued to persist in China's sportswear industry during the period. The effects on the profitability of our distributors and franchisees were unavoidable, though their operations and inventory levels generally remained stable. We minimised the negative influences on the Group and our retailers through sound planning and being ever-responsive to changes in the market. To avoid excess inventory in our retail channels, we prudently and decisively adjusted the amount of orders placed by distributors but not yet produced for delivery. Furthermore, we have continued to enhance the efficiency of our retail channels by strictly controlling new store openings, closing low-efficiency stores and revamping existing stores to the 6th generation layout standard. The Group has also fully leveraged our effective and cost-efficient management systems to support our distributors and franchisees to surmount the difficulties they currently face and to outperform their competitors amid the challenging environment.

We Commit Ourselves to Achieving Sustainability amid Industry Headwinds

Looking ahead, the volatile global economy and the ongoing slowdown in China's economic growth will continue to affect consumer sentiment, making people more cautious about spending. Although some sportswear brands have implemented feasible measures to clear inventory and consolidate their retail channels, the effects of these measures are not yet clear and the inventory and discounting risks remain high in the sportswear industry. To cope with the present market conditions and manage the potential challenges ahead, we continue to take a prudent approach to controlling future orders and store openings. In addition, we will optimise all forms of our retail channels – including factory outlets and discount stores – to clear off-season products and manage our inventory levels more efficiently. We will also provide trainings and comprehensive support to help our retail partners enhance operational efficiency and achieve better retail performance amid the unfavourable market environment.

More importantly, stronger brand equity and innovation capabilities will make our products more desirable to consumers, which would in turn generate higher sales revenue for our distributors and franchisees and boost their confidence in the ANTA brand. With the aim of differentiating ANTA from other domestic sportswear brands, we will spare no effort in striving to maximise the marketing

value of our exclusive sponsorships. Also, we will further increase our influence and enhance our leading position in the basketball sportswear market by proactively seeking more opportunities to strengthen our endorser line-up. We will keep abreast of market trends, enhance the cost-saving and execution capabilities of our supply chain to increase production and replenishment efficiency. We will also fully utilise our R&D resources and design talents in order to cater to consumers' specific needs and preferences.

On behalf of the Board, I would like to express my heartfelt gratitude to our shareholders for their steadfast support and to all of our staff for their unmatched dedication and for making valuable contributions to the industrial and social development of the Group. We will strive to take effective actions and measures to ensure the steady development of the Group, our supply chain partners, distributors and franchisees, as well as to create value for our stakeholders over the long run.



Ding Shizhong
Chairman

Hong Kong, 6 August 2012



MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Inflation Has Eased, but China's Economy Faces Downward Pressure

Facing a growing sense of uncertainty in the global markets, China's economy was persistently affected by the shrinking of both domestic and overseas demand in the first half of 2012. The country's GDP growth decreased to 7.8%, the slowest pace in the last few years. The growth momentum of total retail sales of consumer goods also slowed to 14.4% as a result of weakening consumer sentiment. Nonetheless, the country's per capita annual disposable income of urban residents increased steadily by 9.7%, after deducting price factors, to RMB12,509, echoing the rising pay and consumption-spurring policies.

Inflation has been stabilised by the Chinese government's economic policies. The growth of China's CPI dropped to 3.3%, while the PPI fell by 0.6% in the first half of 2012. The easing of inflation and the persistent decline of the PPI have raised concerns about the weak demand and uncertain economic outlook in China. In order to boost domestic demand while sticking to the country's economic restructuring plan, policymakers are generally believed to loosen China's economic policies and take more resolute measures to



minimise any negative effects on China's economy amid the gloomy global environment.

Stronger Sportswear Brands Excel despite Industry Challenges

Sportswear brands and their retailers have been facing difficulties stemming from excessive inventory, deep discounting, the over-expansion of stores and intense competition in distribution channels. Certain industry players have stepped up to address these problems by significantly reducing

future orders, closing less efficient stores and improving their retail channel structures. Inventory clearance is widely expected to remain for some time in the sportswear market, and the number of factory outlets and discount stores is expected to increase. Meanwhile, slower economic growth and weaker consumer sentiment in China are expected to deteriorate both the operating environment and profitability, making it more challenging for industry players in general.

Stronger industry players are generally believed to be able to stay competitive and to achieve long-term growth by leveraging their core strengths, including comprehensive branding and marketing strategies, effective management of their distribution networks, cost-efficient operational systems, as well as better innovation and product offerings. Chinese consumers are becoming more brand-oriented and sophisticated, particularly in the mass retail market. This increases the demand for better function, higher quality, and more stylish and yet affordable sportswear products. Therefore, sportswear brands that are more responsive to market trends and are capable of delivering innovative products to consumers can tap the market potential and strengthen their leading positions in the long run.

China's Economic Data				
National Income	GDP	RMB22,709.8 billion	YoY	7.8% ↑
Urban Residents' Income	Per capita annual disposable income	RMB12,509	YoY	9.7%* ↑
Consumption	Total retail sales of consumer goods	RMB9,822.2 billion	YoY	14.4% ↑
	Clothing sector (including sports footwear and apparel)	RMB453.8 billion	YoY	16.9% ↑
Inflation	CPI	103.3 (2011 1H=100)	YoY	3.3% ↑
	PPI for manufactured goods	99.4 (2011 1H=100)	YoY	0.6% ↓
* Actual growth after deducting price factors				

Source: National Bureau of Statistics of China (data as at 30 June 2012)



PESTEL and Competitive Advantages

Competitive Advantages

Strong Brand Equity

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

Product Differentiation

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

Capital Adequacy

- Sufficient funding for future business development
- Low gearing ratio

Nationwide Distribution Network

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

Cost Leadership

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

Corporate Social Responsibility

- Corporate citizenship and public relations
- Close communication with stakeholders

External Environment

Economic

- Per capita disposable income growth rate
- Degree of urbanisation

Legal

- Compliance
- Health and safety

Political

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

Technological

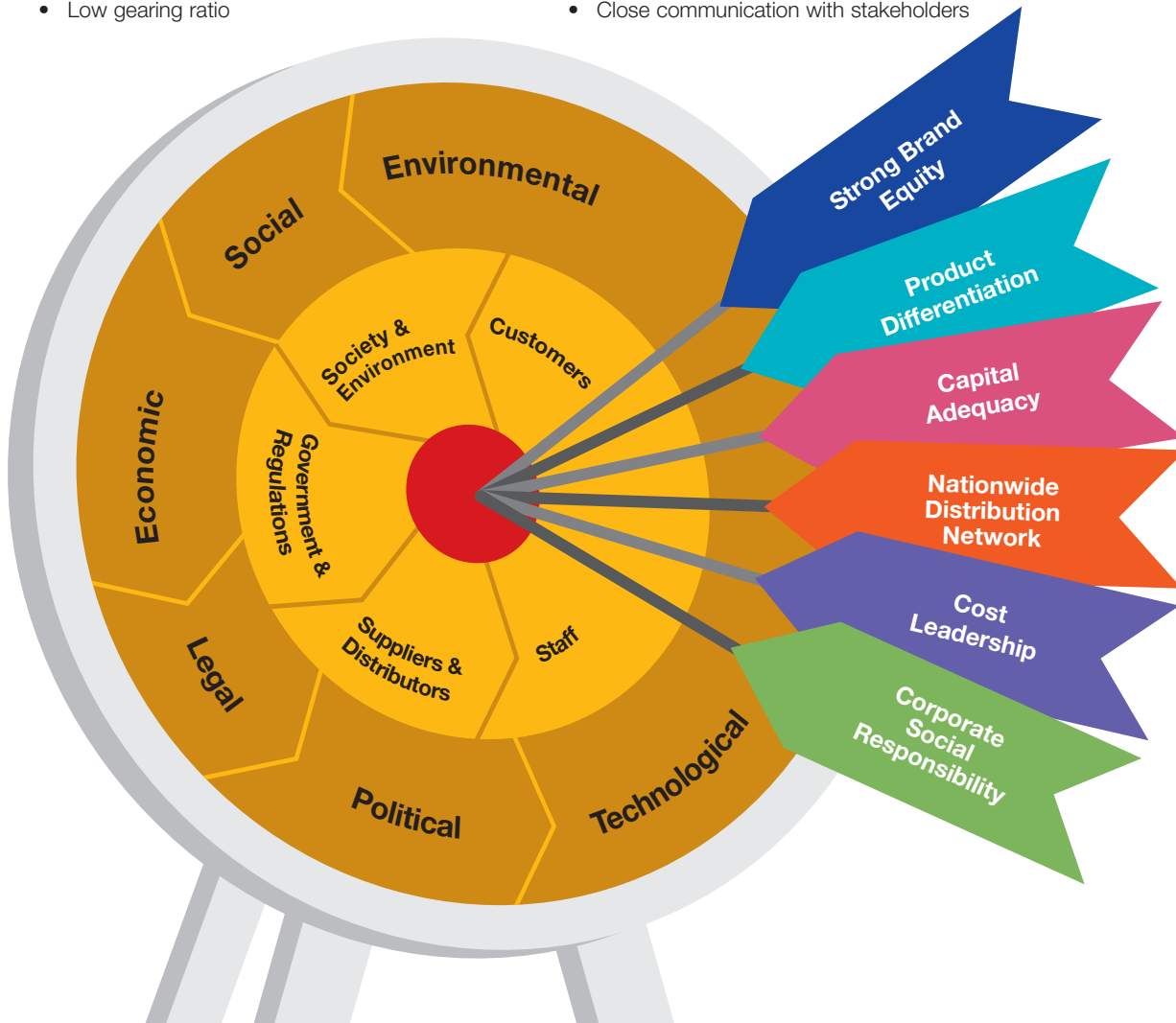
- Products' functionality
- Performance-based sportswear products
- Trendy leisure sportswear products

Environmental

- Protection and education
- Seasonality

Social

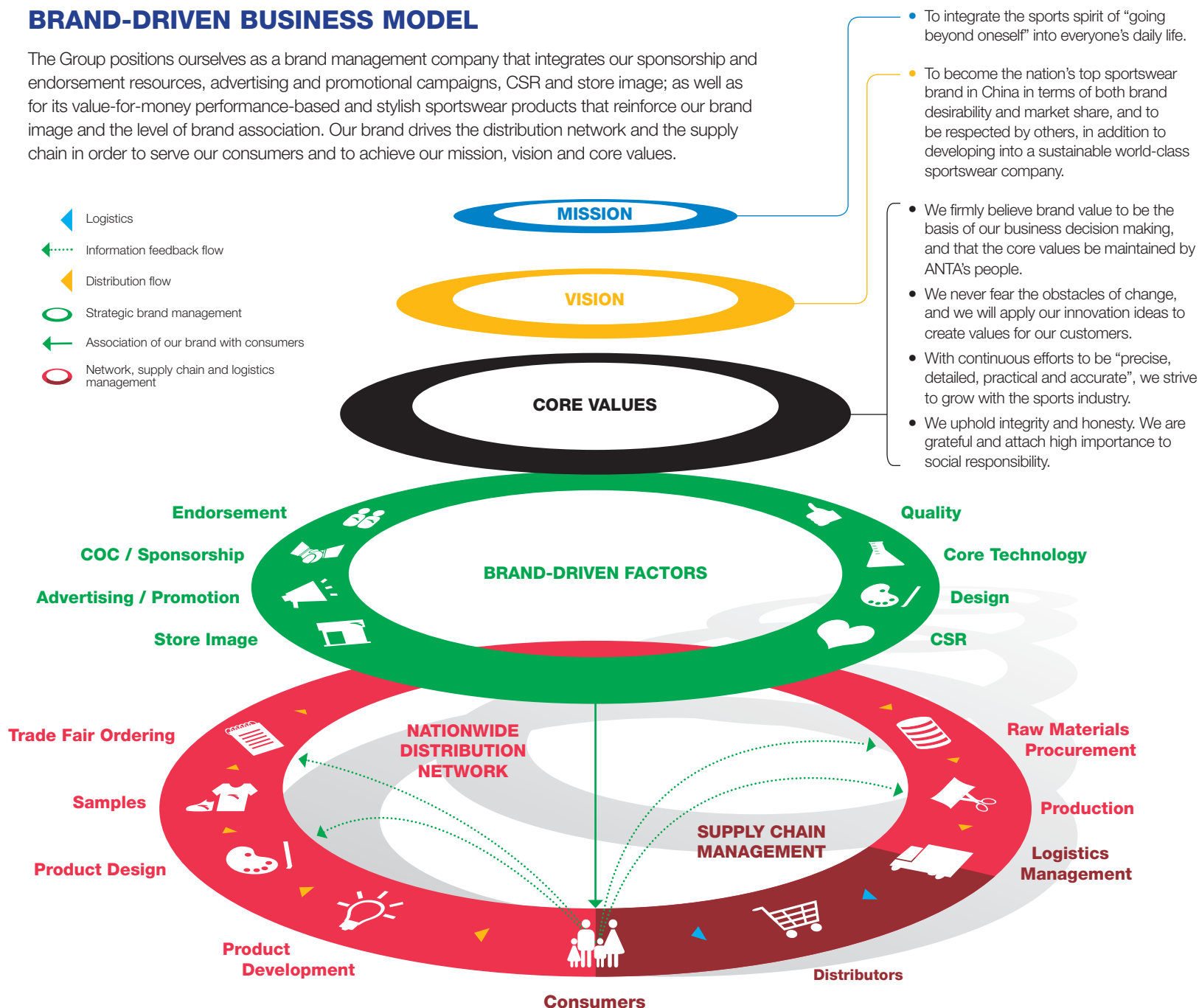
- Sports participation rate
- Consumers' taste and preference
- Individual expenditure on sportswear products



MANAGEMENT DISCUSSION AND ANALYSIS

BRAND-DRIVEN BUSINESS MODEL

The Group positions ourselves as a brand management company that integrates our sponsorship and endorsement resources, advertising and promotional campaigns, CSR and store image; as well as for its value-for-money performance-based and stylish sportswear products that reinforce our brand image and the level of brand association. Our brand drives the distribution network and the supply chain in order to serve our consumers and to achieve our mission, vision and core values.



BUSINESS REVIEW

Strong Brand Equity

Leveraging our focused brand building initiatives, ANTA Sports has established solid brand fundamentals in the performance-based sportswear market within the mass market segment. Facing difficulties that exist in the current sportswear market, ANTA Sports further maximises the marketing effectiveness through a well-defined brand management strategy. During the period, we further integrated our endorsement and sponsorship resources with our interactive promotions and featured products to enhance our brand and product differentiation. The Group is also proactive in encouraging retailers to upgrade to the sixth generation store image featuring a better store layout so as to maintain an outstanding brand image for sustainable growth.

Our four-year strategic partnership with the COC and the CSD has successfully brought our brand image to another stage, solidifying ANTA as the “representative of China’s sports industry”. On top of utilising the COC sponsorship to promote our differentiated brand image, ANTA Sports is determined to strengthening our professional image in basketball, women sports and running to capture the market potential in these frequently-participated sports in China.



COC

2012 is without doubt a vital year for the sporting industry because of the London Olympics. As the strategic sportswear partner with the COC and the CSD, ANTA's winning outfit will be featured on the CSD at the award ceremonies and media interviews in the world's largest sporting event, thereby capturing the attention of billions of sports fans. ANTA Sports spent over a year on designing the eye-catching and high quality outfit specifically tailor-made for the CSD. With a theme of the “Dragon”, the “Champion Dragon Outfit” demonstrates to the world the essence and charisma of traditional Chinese culture. The winning outfit also integrates advanced technology and environmentally-friendly materials which fully manifest ANTA's brand philosophy of “Keep Moving” in innovation.

To capture the marketing potential from the London Olympics, ANTA Sports kicked off a comprehensive Olympics strategy. ANTA Sports has joined the partners of the IOC and the COC for the first time. The “Champion Dragon Outfit” will be displayed at McDonald's restaurants, Procter & Gamble booths and Hilton hotels in China to promote the Olympic spirit. Furthermore, the Group has cooperated with the IOC to integrate classic logos of past Olympic Games into our IOC products. Related in-store marketing campaigns and “COC Corners” have been launched at approximately 1,000 ANTA retail stores to improve retail traffic and boost sales performance. For instance, ANTA Sports has been launching a brand new Olympic-themed TVC during the Olympic Games featuring a number of star athletes who have contributed to the China's sports history. The Group is also collaborating with CCTV to launch the “Honour Moments” programme to showcase the CSD's proudest moments to audiences in China so as to strengthen the association between ANTA, the Olympics and the COC. This all-encompassing campaign helps to enhance our brand desirability, allowing ANTA to stand out from our peers.



MANAGEMENT DISCUSSION AND ANALYSIS

Basketball

Basketball has always been a key strategic focus of the Group. Our cooperation with renowned NBA players Kevin Garnett and Luis Scola, as well as our influence in the basketball leagues have consolidated our lead in the basketball segment. Equipped with ANTA sportswear, Kevin Garnett led the Boston Celtics to reach the NBA Eastern Conference Finals in this season. His astonishing performance is a true reflection of ANTA's mission of "Going Beyond Oneself".

ANTA Sports is also committed to increasing participation in basketball amongst the general public. Besides the cooperation with the CBA and the CUBA, ANTA Sports launched the Outdoor Street Basketball League to reach more basketball enthusiasts. With over 2,000 matches played, the league attracted a record number of over 10,000 players in 45 high schools in 12 cities. Furthermore, ANTA Sports effectively integrated sponsorship events with in-store marketing campaigns and distinctive products to maximise the effectiveness of our sponsorship resources. Accompanying the Outdoor Street Basketball League, ANTA Sports launched a series of highly durable and lightweight outdoor basketball shoes and optimised the "Grand Basketball Corners" at certain retail stores to draw the attention of consumers.



Women Sports

The ANTA women's sportswear series is committed to making fitness fun for all women consumers by providing functional sportswear and distinctive experiences. To bring this concept to life, ANTA Sports launched a marketing campaign featuring Jane Zhang, a famous pop singer in China, to echo the healthy and energetic image of the women's sportswear series. ANTA Sports has also utilised popular digital social networks and broadcast media, including weibo and tudou.com (<http://minisite.tudou.com/anta/mvdiy/index.html>), to reach a wider spectrum of female consumers in a cost-effective way. During the period, the Group launched marketing campaigns on popular e-commerce platforms to boost the retail performance of the series.

Running

The success of our running products provides a strong foundation for our leading position in the mass market. To sustain the lead, the Group is committed to strengthening the functionality and design of our running products in every price range. Following the introduction of the A-Jelly technology with advanced cushioning ability, ANTA Sports unveiled the A-Silo technology in 2012. A-Silo is an innovative sole technology with individual nodes that provide advanced springiness to enhance comfort and stability. A-Silo running shoes enable regular joggers to enjoy maximum comfort.

ANTA Sports has committed keen effort to spreading the joy of running through an interactive marketing campaign. During the period, the Group integrated TVC and in-store promotions in the "Comfort in all Conditions" marketing campaign which highlighted the functionality and comfort of the A-Silo products. Furthermore, the Group has sponsored the Olympic Day Run for the fourth consecutive years to promote the "Sports for All" spirit by encouraging the public to incorporate sports activities into their daily lives.





FILA BUSINESS IN THE PRC

FILA is a well-known global sportswear brand that targets the high-end market segment. The Fila business in the PRC, acquired by the Group, will help tap into the promising potential in China's high-end sportswear market. We exert every effort towards strengthening our presence through strategic store openings in key locations of major cities in China. As at 30 June 2012, our distributors and franchisees operated 236 FILA stores in China. Meanwhile, the Group also operates FILA stores in Hong Kong and Macao. More importantly, the FILA brand has become an Official Sports Uniform Sponsor for the Hong Kong, China Delegation at the London Olympics, further extending its reputation and desirability to the PRC market.

The Group is dedicated to raising awareness of the FILA brand and its impact on the young elite segment in China. The "Back to the Past FILA Century" marketing event not only captured the attention of consumers, but also marked the beginning of our plan to rejuvenate the FILA brand. We also promoted the brand new 2012 S/S collection and boosted FILA's brand recognition through impressive in-store POP and extensive media publicity in China. Moreover, the third generation store layout, which fully embodies FILA's stylish, casual and sporty brand concept, has been launched to further enhance the quality of the decor and product displays at FILA stores.

Since the acquisition of the Fila business in the PRC in 2009, the Group has integrated our R&D and design talents in China and Hong Kong, our experienced supply chain partners, and the FILA brand's worldwide resources, to differentiate and diversify Fila products. We adhere to the heritage and uniqueness of the FILA brand and aim to introduce trendy fashion products for our targeted consumer groups in China.





K E V I N G A R N E T T

MANAGEMENT DISCUSSION AND ANALYSIS

Effective Distribution Network

1. Sustainable ANTA Retail Network in China

- **Performance-based Sportswear Series**

ANTA Sports' strength in the mass market, particularly in second and third tier cities, has enabled us to secure a favourable position amid keen competition. To enhance network efficiency, the Group has focused on the size and location of stores rather than expanding the number of stores. As at 30 June 2012, the number of ANTA stores grew by 29 to 7,807 (end of 2011: 7,778). Total sales floor area and average sales floor area per store were approximately 966,000 sq. metres and 124 sq. metres, respectively.

- **Sports Lifestyle Series**

Distributors of the Sports Lifestyle series are facing pressure from rising rental cost and other operating expenses. To optimise the store efficiency, the Group has consolidated smaller Sports Lifestyle series stores and integrated them into the performance-based sportswear stores. As a result, the number of Sports

Lifestyle series stores dropped by 198 to 689 as at 30 June 2012 (end of 2011: 887).

- **Kids Sportswear Series**

The children's sportswear market is generally believed to be more fragmented than the adult sportswear market, thus it should have better potential in the near term. During the period, the Group made further strides by expanding the product offerings to children aged 3-7 years old. Meanwhile, the Group strategically expanded the network, bringing the number of Kids series stores up by 59 to 691 as at 30 June 2012 (end of 2011: 632).

2. Effective Retail Management

Oversupply of goods in the domestic sportswear sector has affected all sportswear brands in the past few quarters. Thus, inventory management ranks as the Group's top priority. The Group has proactively guided the trade fair order estimates in order to minimise inventory risk in the retail channels. The Group has also provided training on inventory management and customer service to improve the operating efficiency of retailers.

Meanwhile, the Group has launched all-around incentive measures to encourage retailers in delivering key performance targets on inventory level and retail discount. The Group's comprehensive monitoring system, including the real-time ERP system, weekly reports submitted by POS and frequent channel checks by our sales people, allows the Group to tightly monitor and control retail performance so as to identify network issues. Furthermore, the Group has optimised clearance channels, including factory outlets and discount stores, so as to improve the inventory management capabilities of the retailers.

3. Outstanding Store Image

When facing the challenges confronting the industry, the Group has proactively enhanced our store image so as to maintain competitiveness in the long run. During the period, the Group continued to upgrade store layout by encouraging retailers to adopt the sixth generation store image. Furthermore, the outstanding layout at 15 flagship stores in strategic locations have showcased our distinctive image. The Group has also optimised the "COC Corners" and "Grand Basketball Corners" at key stores to put special product series in the spotlight.

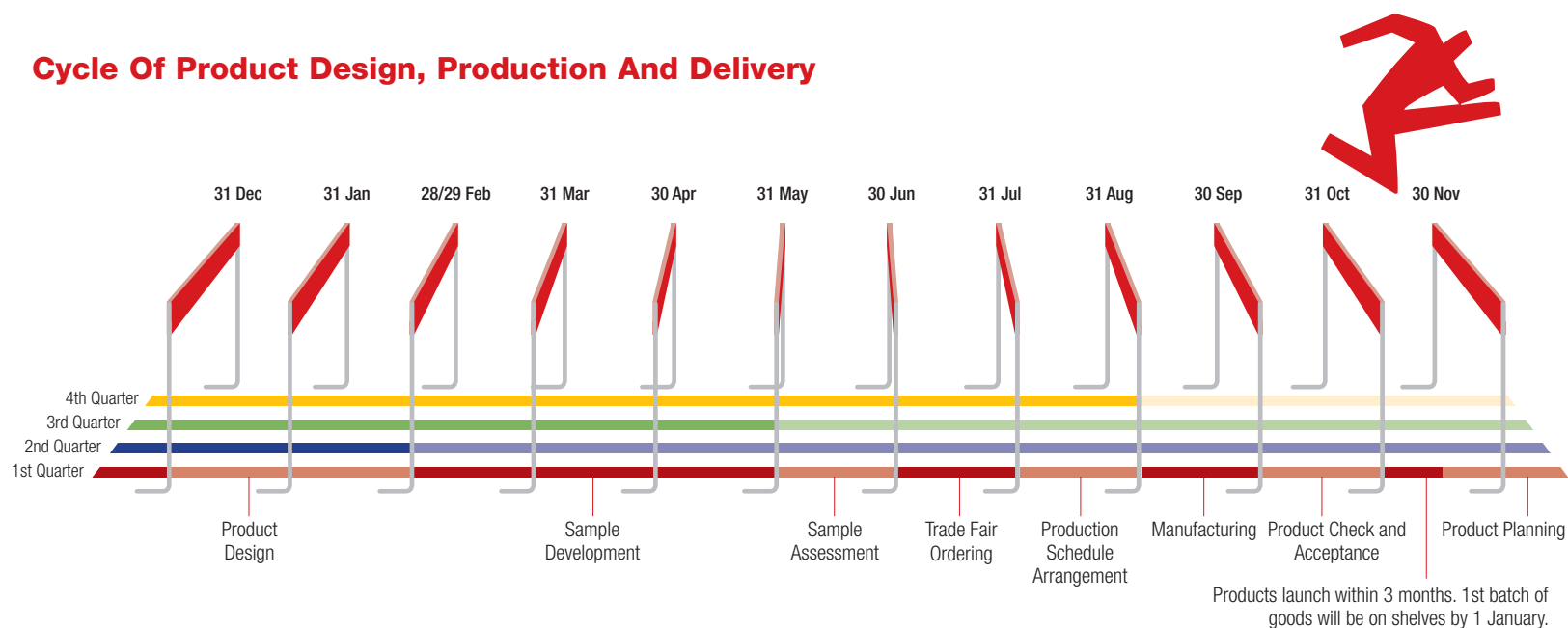


ANTA Retail Network in the E-commerce and Overseas Markets

During the period, the Group further optimised the e-commerce channel while expanding our visibility in popular e-commerce platforms. Meanwhile, the Group has prudently expanded our presence in Southeast Asia, Eastern Europe and the Middle East to fuel our long term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Cycle Of Product Design, Production And Delivery



Supply Chain Management

Our most powerful asset in defending ourselves against the increased competition is our high quality performance-based products with good value-for-money. The Group continues to invest in R&D, supply chain management and quality control measures in response to the ever-changing market while ensuring that we deliver the best product value. ANTA Sports has been the top seller of travel and sports shoes in China for 11 consecutive years, which underscores our leading position in the industry. Our testing laboratory also received a certificate of accreditation from the CNAS, which demonstrates our laboratory is nationally and internationally recognised for its management standards and assessment capabilities.

Product Innovation

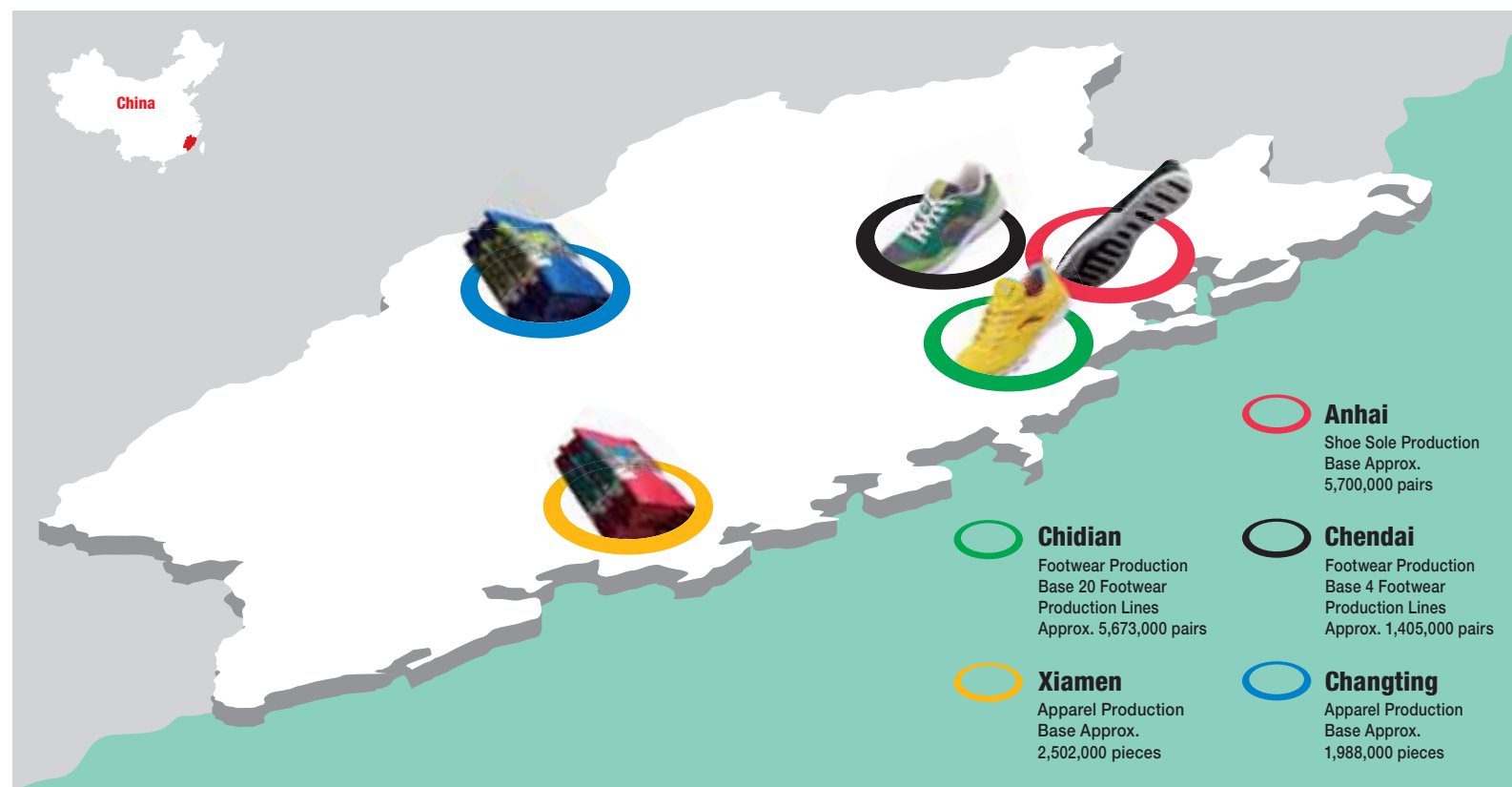
ANTA Sports' commitment to technological innovation and cutting-edge design differentiates us from peers and provides a solid platform for future growth. The Group utilises the talents of the internal R&D team to further optimise our core technology. To enhance our product differentiation, the Group has further cooperated with external institutions, including DuPont and 3M, and has applied Teflon and 3D Vision on our products. Leveraging the feedback and R&D findings gathered from endorsed athletes on wearing the sponsored outfits, ANTA Sports can customise cutting-edge technology for use in the mass market products. During the period, the Group introduced approximately 1,100, 2,000 and 730 new styles to the footwear, apparel and accessories portfolios respectively, to meet the demand of different consumers.

Quality Control

Comfort and protection have always been top considerations in consumers' purchasing decisions. In view of this, ANTA Sports continues to enhance our quality control capabilities throughout the entire manufacturing process at both our own factories and in our suppliers' production facilities. The certificate of accreditation we received from the CNAS for our testing laboratory demonstrates that our quality control capabilities comply with national and international standards. Meanwhile, this certification helps to enhance our product credibility and to promote the enhancement of the product standards in the industry.



Production Bases In Fujian Province



Supply Chain and Operational Management

An effective and responsive supply chain is an important factor for ANTA Sports to outperform the competition. The cohesive relationships with our suppliers, OEMs and ODMs, as well as our in-house production, grant us extra flexibility when we have to adjust production schedules under the increasingly challenging market. During the period,

the Group also supported the supply chain partners in enhancing workflow efficiency so as to improve their cost efficiency and responsiveness to market changes.

Production Capabilities

ANTA Sports adopts a strategic mix of in-house and outsourced production to better respond to market conditions and to meet unforeseen demand.

During the period, approximately 7.1 million pairs of ANTA footwear and 4.5 million pieces of ANTA apparel were produced in-house. The respective proportions of self-produced footwear and apparel being procured were 38.9% and 13.2%, respectively (2011 1H: 33.9% and 12.8%). The graph shown above sets out details of the Group's production bases and the quantity of products manufactured at each base during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

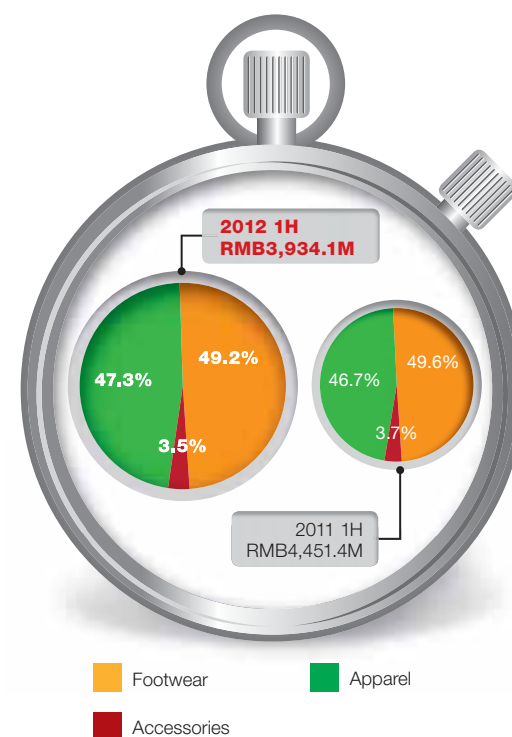
Turnover Breakdown by Product Category

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

Six months ended 30 June					
	2012		2011		Changes
	(RMB million)	(% of turnover)	(RMB million)	(% of turnover)	(%)
Footwear	1,936.6	49.2	2,207.9	49.6	↓ 12.3
Apparel	1,859.7	47.3	2,079.7	46.7	↓ 10.6
Accessories	137.8	3.5	163.8	3.7	↓ 15.9
Overall	3,934.1	100.0	4,451.4	100.0	↓ 11.6

During the financial period, turnover decreased by 11.6% as compared with the same period in 2011 because of keen market competition. The share of

apparel and accessories in sales slightly increased from 50.4% for the first half of 2011 to 50.8% for the financial period.



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					
	2012		2011		Changes
	Gross profit (RMB million)	Gross profit margin (%)	Gross profit (RMB million)	Gross profit margin (%)	(% points)
Footwear	822.4	42.5	945.2	42.8	↓ 0.3
Apparel	772.0	41.5	893.3	43.0	↓ 1.5
Accessories	49.3	35.8	66.6	40.7	↓ 4.9
Overall	1,643.7	41.8	1,905.1	42.8	↓ 1.0

The overall decrease in gross profit margin mainly represented the impact on the drop of ASP due to keen market competition.

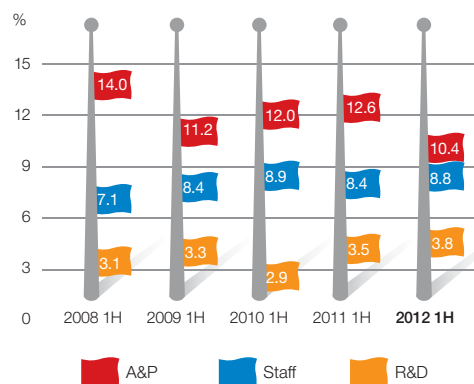


Other Revenue

Other revenue for the financial period mainly represented government grants of RMB34.8 million (2011: RMB35.9 million).

Operating Expenses Ratios

The ratio of advertising and promotional expenses to turnover has decreased by 2.2% points for the financial period, representing our continuous effort on improving efficiency of media broadcasting. The ratio of staff costs to turnover has slightly increased by 0.4% points. The ratio of R&D costs to cost of sales has slightly increased by 0.3% points.



Operating Profit Margin

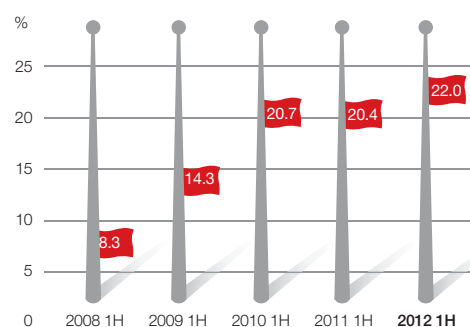
Operating profit margin decreased by 1.7% points which was more than the 1.0% points decrease in the gross profit margin for the financial period, which was mainly due to the increase in expenditures.

Net Finance Income

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

Effective Tax Rate

Effective tax rate increased from 20.4% for the first half of 2011 to 22.0%, mainly because certain subsidiaries in the PRC which were entitled to a lower preferential tax rate in 2011 have been subject to a higher preferential tax rate since 1 January 2012.



Margin of Profit attributable to Equity Shareholders

Margin of profit attributable to equity shareholders decreased by 1.2% points which was due to the 1.7% points decrease in operating profit margin for the financial period and the increase in the effective tax rate, partially offset by the increase in the interest income.

Provision for Doubtful Debts

As at 30 June 2012, the provision for doubtful debts was RMB85.5 million (as at 31 December 2011: Nil). Due to the increase in the long ageing trade receivables, the balance of provision for doubtful debts for the financial period substantially increased.

Dividends

The Board has recommended an interim dividend of HK23 cents per ordinary share in respect of the financial period, representing a total payout of RMB467.8 million (2011: RMB531.2 million), or a distribution of 60.8% (2011: 57.3%) of the current financial period's profit attributable to equity shareholders.

Liquidity and Financial Resources

As at 30 June 2012, the cash and cash equivalents of the Group amounted to RMB3,265.1 million (excluding fixed deposits held at banks with maturity over three months totalling RMB1,450.0 million), representing an increase of RMB246.9 million as compared with the total cash and cash equivalents of RMB3,018.2 million as at 31 December 2011. The total cash and bank balance (including pledged deposits) was RMB4,939.9 million as at 30 June 2012 (as at 31 December 2011: RMB4,443.0 million), representing a 11.2% increase. This is mainly attributable to:

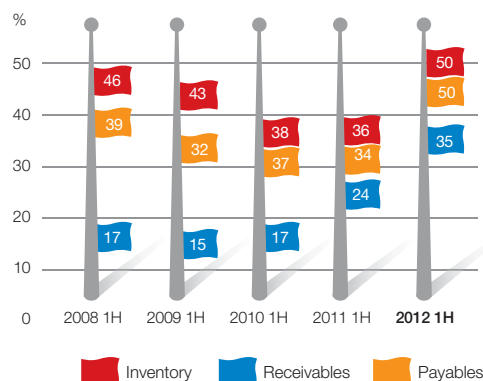
- Net cash inflows from operating activities amounted to RMB1,009.9 million, representing strong working capital management and operating results.
- Net cash outflows from investing activities amounted to RMB762.7 million (excluding net increase in placement of fixed deposits held at banks with maturity over three months by RMB40.0 million), including capital expenditure amounting to RMB182.8 million.
- Net cash outflows from financing activities amounted to RMB0.2 million, which represented the payment of the final dividend in respect of the financial year 2011, offsetting with the drawdown of a bank loan.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2012, total assets of the Group were RMB9,161.5 million of which current assets were RMB7,533.7 million. Total liabilities and non-controlling interests were RMB2,538.0 million and total shareholders' equity amounted to RMB6,623.5 million. The Group's gearing ratio was 5.8% as at 30 June 2012 (as at 31 December 2011: Nil), being a ratio of the bank loan of RMB528.6 million (as at 31 December 2011: Nil) to total assets.

Assets/Liabilities Turnover Ratio

The average inventory turnover days increased by 14 days, mainly due to the production in advance to meet the delivery of goods scheduled in July 2012. The average trade receivables turnover days increased by 11 days due to the impact of recent keen market competition. The average trade payables turnover days increased by 16 days as the Group has obtained better terms of trade from the suppliers.



Pledge of Assets

As at 30 June 2012, the Group had unlisted available-for-sale investments of RMB330.0 million (as at 31 December 2011: Nil) and bank deposits of RMB224.7 million (as at 31 December 2011: RMB14.7 million) pledged to secure bankers' documentary credits for certain construction projects and a bank loan.

A table analysing the Group's free cash inflow for the financial period was disclosed below.

Six months ended 30 June		
	2012 (RMB million)	2011 (RMB million)
Operating cash inflow	1,009.9	705.5
Capital expenditure	(182.8)	(105.5)
Others	–	0.2
Free cash inflow*	827.1	600.2
Cash and bank balances (including pledged deposits)	4,939.9	4,373.4
Other current financial assets	330.0	–
Bank loan	(528.6)	–
Net cash and cash equivalents as at 30 June	4,741.3	4,373.4

* Free cash flow represents operating cash flow minus capital expenditure and others.

Capital Commitments and Contingencies

As at 30 June 2012, the Group had capital commitments of RMB474.7 million, primarily relating to the development of new information management systems, the expansion of inhouse production capacities and the establishment of an operational centre in Xiamen.

As at 30 June 2012, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceedings, nor are there any pending or potential material legal proceedings involving the Group.

Financial Management Policies

The Group continues to control financial risks in a prudent manner and proactively adopts internationally recognised corporate management standards to safeguard the interests of shareholders. As the functional currency of the Company is the Hong Kong dollar and the Company's financial statements are translated into Renminbi for reporting and consolidation purposes, foreign exchange differences arising from

the translation of financial statements are directly recognised in equity as a separate reserve. As the Group conducts business transactions principally in Renminbi, the exchange rate risk at the Group's operational level is not significant. Nevertheless, the management continues to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when needed.

Significant Investments and Acquisitions

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



PROSPECTS

Sportswear brands and their retailers are in general facing challenges and intense competition in China. We remain cautious about the short-term sportswear industry outlook in China. Nevertheless, we continue to adopt a prudent approach with the aim of easing operating pressure and staying competitive.

Strengthening our Brand with Effective Marketing Plans

In addition to maximising the marketing value of our sponsorship and endorsement portfolio, we also focus on the effectiveness of these efforts as well as the synergy between the Group's branding and sales-driving strategies. The COC is one of our most precious resources, one which has successfully helped us to surpass our peers in brand exposure at the London Olympics. To reinforce our brand leadership, we are well-equipped to strive for the next four-year COC sponsorship with our renowned brand name and products. Furthermore, we are devoted to strengthening our competitiveness in the basketball market segment by leveraging the strong influence of our endorsed NBA superstars and the popularity of our "Outdoor Street Basketball

League" to promote sports and to showcase ANTA's innovative products.

Reinforcing Retail Channels to Cope with Challenges

The Group will remain cautious in processing retailers' ordering and store opening plans so as to reduce the potential risks in over-stocking and deep discounting. The total number of ANTA, Sports Lifestyle, Kids and FILA stores are predicted to be between 7,800 to 7,900, 450 to 550, 750 to 850 and 250 to 300, respectively, by the end of 2012. Moreover, more factory outlets and discount stores will be opened to clear off-season inventory. We will introduce a refreshing new image of Kids series stores, echoing the Group's store refurbishment plan with an aim of optimising the efficiency of our distribution network in the long run.

Serving Consumers through Innovation and Product Diversification

The Group always makes the best use of our R&D resources to achieve innovation in our products. We consistently optimise our A-Jelly and A-Silo technologies to enhance the functionality,

protection and comfort of our running products which we sell at affordable prices. We also see ever-growing demand for outdoor basketball gear among young basketball lovers. Therefore, we will expand the use of light-weight materials and the highly durable A-HardcourtRB rubber in our signature basketball products. To better cater to the increasingly sophisticated demand from consumers, we will optimise our product portfolio by integrating more stylish designs as well as waterproof and breathable fabrics into our diversified women's sports, Sports Lifestyle, Kids and FILA collections.

Enhancing Operating Efficiency through All-round Management Systems

The ongoing upgrade of our effective management and IT systems will bring the Group greater precision in processing orders and better control over inventory levels. We will not only respond to changes in consumer demand in a swift manner, but will also optimise our product life cycle so as to shorten the lead time. More importantly, we will further strengthen the cost-leadership and execution capabilities of our supply chain as we aim to ease cost pressures and to enhance our efficiency in replenishing the best-selling items.



The Hong Kong, China Delegation in FILA-designed sports uniform (photo provided by Sports Federation and Olympic Committee of Hong Kong, China)



The CSD in ANTA-designed "Champion Dragon Outfit" (photo provided by Xinhua News and Information Center)

CORPORATE SOCIAL RESPONSIBILITY REPORT

The Group is committed to creating value not only for our customers, but also for our stakeholders and society as a whole. We provide high-quality products while conducting our business in a socially responsible and environmentally sustainable manner.

Community Care

The Group recognises that the future of society will be shaped by today's youth. Accordingly, promoting youth education and sporting development is one of the key focus areas for our CSR activities. The Group actively provides support to young people, particularly those who are physically or socially disadvantaged. During the period, our staff took the initiative to organise a charity sale to raise funds for the "ANTA Sunshine Association", the Group's charitable body. Our volunteer team also participated in a school visit to Gulian Primary School, which is located in Luoding, Guangdong Province. The team interacted with children and gave them sportswear, schoolbags and stationery. As one of the leading sportswear enterprises in China, the Group strongly encourages youth participation in sports. In June 2012, the Group supported the "Champion Fund", established by the Red Cross Society of China



and Yang Yang, China's first Winter Olympics gold medalist, to build a basketball court at Gucheng Primary School in Beijing and to promote the importance of sportsmanship among children in China.

Environmental Protection

We consider it our duty to take an active role in contributing to a greener world. The Group strictly complies with environmental regulations,

and is certified under ISO14001 Environmental Management Systems. Throughout the entire production process at both our in-house production base and our suppliers' factories, we strive to minimise our environmental impact without compromising the quality of our products. Under the Group's "Chemical Safety Guidance", we maintain national and international standards in pollutants emission. Furthermore, the Group has adopted eco-friendly materials such as organic cotton and bio-degradable substances in our product offerings. Through environmental campaigns, staff members were also encouraged to reduce, reuse and recycle. Moreover, the Group shares our values with our business partners by providing suppliers guidance, training and consultations on the environmental issues, so that they can similarly engage in environmental protection.

Favourable Workplace

Our employees are the Group's most important assets. As at 30 June 2012, the Group has approximately 11,600 employees (end of 2011: 11,500). To retain our employees, the Group fosters a rewarding work environment with extensive training opportunities and a fair appraisal system.



The Group values the opinions of our staff and has thus established various channels such as “CEO Day” and employee satisfaction surveys are established to regularly collect suggestions from the staff. The Group also encourages a healthy “work-life balance” and provides our staff with amenities including tennis courts, basketball courts, and gym facilities. Social and volunteering activities are frequently organised to keep team spirit up. With an emphasis on health and safety, the Group has developed clear safety guidelines and has shared them with our suppliers. Adequate protective gear is also offered to factory workers to avoid workplace injuries. In addition, we provide regular health check-ups and mental health seminars to our staff as a safeguard against potential health issues. More importantly, the Group is committed to protecting the labour rights of our workforce such as minimum wages and gender equality.

Corporate Governance

Good corporate governance is the cornerstone of sustainable growth. To ensure transparency and accountability to shareholders, the Group strictly



complies with the Listing Rules to disseminate information to investors and the public in a timely, fair and transparent manner. The Group understands that effective communications and timely information disclosure not only gives us credibility, but also promotes a flow of constructive feedback and ideas that are beneficial to future development. To facilitate interactive

communications between senior management and stakeholders, the Group regularly organises shareholder meetings, investor/analyst briefings and meetings, roadshows, press conferences and company visits. Investors can also obtain useful information and updates from ANTA's brand and investor relations websites (<http://www.anta.com> and <http://ir.anta.com>).





L U I S S C O L A

REVIEW REPORT OF THE AUDITORS



Review Report to the Board of Directors of

ANTA Sports Products Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 26 to 39 which comprises the condensed consolidated statement of financial position of ANTA Sports Products Limited as of 30 June 2012 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The Directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

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

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

A stylized, handwritten signature of the KPMG firm, written in black ink.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

6 August 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2012	2011
	Note	RMB'000	RMB'000
Turnover	3	3,934,105	4,451,388
Cost of sales		(2,290,446)	(2,546,332)
Gross profit		1,643,659	1,905,056
Other revenue		40,472	40,621
Other net loss		(499)	(406)
Selling and distribution expenses		(512,422)	(672,112)
Administrative expenses		(271,517)	(176,707)
Profit from operations		899,693	1,096,452
Net finance income	4	88,192	66,293
Profit before taxation	5	987,885	1,162,745
Taxation	6	(217,715)	(237,045)
PROFIT FOR THE PERIOD		770,170	925,700
Other comprehensive income for the period			
Exchange differences on translation of financial statements of operations outside Mainland China		(118)	(9,222)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		770,052	916,478
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Equity shareholders of the Company		769,619	927,277
Non-controlling interests		551	(1,577)
PROFIT FOR THE PERIOD		770,170	925,700
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity shareholders of the Company		769,501	918,055
Non-controlling interests		551	(1,577)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		770,052	916,478
Earnings per share	7	RMB cents	RMB cents
— Basic		30.86	37.18
— Diluted		30.80	37.08

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



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012 – unaudited
(Expressed in Renminbi)

		30 June 2012 RMB'000	31 December 2011 RMB'000 (audited)
	Note		
Non-current assets			
Property, plant and equipment	8	452,645	472,606
Construction in progress	9	333,891	207,603
Lease prepayments	10(a)	47,888	35,036
Prepayments for acquisition of land use rights	10(b)	119,844	96,715
Intangible assets	11	532,054	540,614
Other financial assets		20,535	20,535
Deferred tax assets	18(b)	120,928	51,501
Total non-current assets		1,627,785	1,424,610
Current assets			
Inventories	12	627,864	618,130
Trade and other receivables	13	1,635,972	1,708,610
Other financial assets	14	330,000	–
Pledged deposits	14	224,734	14,734
Fixed deposits held at banks with maturity over three months	15	1,450,000	1,410,000
Cash and cash equivalents	15	3,265,136	3,018,233
Total current assets		7,533,706	6,769,707
Total assets		9,161,491	8,194,317
Current liabilities			
Bank loan	16	528,643	–
Trade and other payables	17	1,683,318	1,471,495
Amount due to a related party	21(b)	2,040	1,900
Current taxation	18(a)	90,044	130,979
Total current liabilities		2,304,045	1,604,374
Net current assets		5,229,661	5,165,333
Total assets less current liabilities		6,857,446	6,589,943

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012 – unaudited
(Expressed in Renminbi)

		30 June 2012	31 December 2011
	Note	RMB'000	RMB'000 (audited)
Non-current liabilities			
Long-term payable to non-controlling interests — unsecured and at amortised cost		40,825	39,109
Deferred tax liabilities	18(b)	145,935	132,284
Total non-current liabilities		186,760	171,393
Total liabilities		2,490,805	1,775,767
Net assets		6,670,686	6,418,550
Equity			
Share capital	19	242,019	242,019
Reserves	19	6,381,456	6,129,871
Total equity attributable to equity shareholders of the Company		6,623,475	6,371,890
Non-controlling interests		47,211	46,660
Total liabilities and equity		9,161,491	8,194,317

The accompanying notes form part of this interim financial report.



Ding Shizhong
Chairman and Chief Executive Officer



Lai Shixian
Chief Operating Officer



Ling Shing Ping
Chief Financial Officer

Hong Kong, 6 August 2012



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012 – unaudited
(Expressed in Renminbi)

Attributable to equity shareholders of the Company										
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Share-based compensation reserve	Retained profits	Total	Non-controlling interests	Total equity
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 19(a)	Note 19(b)	Note 19(c)	Note 19(d)	Note 19(e)	Note 19(f)				
Balances as at 1 January 2011	241,991	1,145,317	141,029	335,450	(292,462)	18,033	4,088,673	5,678,031	52,701	5,730,732
<i>Changes in equity for the six months ended 30 June 2011:</i>										
Profit for the period	—	—	—	—	—	—	927,277	927,277	(1,577)	925,700
Other comprehensive income	—	—	—	—	(9,222)	—	—	(9,222)	—	(9,222)
Total comprehensive income for the period	—	—	—	—	(9,222)	—	927,277	918,055	(1,577)	916,478
Shares issued pursuant to										
Pre-IPO share option scheme	19(a)	17	717	—	—	(27)	—	707	—	707
Equity-settled share-based payments	19(f)	—	—	—	—	22,681	—	22,681	—	22,681
Dividends approved in respect of the previous year	19(i)	—	(523,651)	—	—	—	—	(523,651)	—	(523,651)
Appropriation to statutory reserve	—	—	—	49,258	—	—	(49,258)	—	—	—
Balances as at 30 June 2011	242,008	622,383	141,029	384,708	(301,684)	40,687	4,966,692	6,095,823	51,124	6,146,947
Balances as at 1 January 2012	242,019	335,135	141,029	410,943	(315,432)	58,404	5,499,792	6,371,890	46,660	6,418,550
<i>Changes in equity for the six months ended 30 June 2012:</i>										
Profit for the period	—	—	—	—	—	—	769,619	769,619	551	770,170
Other comprehensive income	—	—	—	—	(118)	—	—	(118)	—	(118)
Total comprehensive income for the period	—	—	—	—	(118)	—	769,619	769,501	551	770,052
Equity-settled share-based payments	19(f)	—	—	—	—	8,781	—	8,781	—	8,781
Dividends approved in respect of the previous year	19(i)	—	—	—	—	—	(526,697)	(526,697)	—	(526,697)
Appropriation to statutory reserve	—	—	—	15,267	—	—	(15,267)	—	—	—
Balances as at 30 June 2012	242,019	335,135	141,029	426,210	(315,550)	67,185	5,727,447	6,623,475	47,211	6,670,686

The accompanying notes form part of this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2012 RMB'000	2011 RMB'000
Net cash generated from operating activities		1,009,946	705,503
Net cash used in investing activities*		(762,746)	(255,269)
Net cash used in financing activities		(179)	(523,517)
Net increase/(decrease) in cash and cash equivalents		247,021	(73,283)
Cash and cash equivalents as at 1 January		3,018,233	3,391,151
Effect of foreign exchange rate changes		(118)	(9,222)
Cash and cash equivalents as at 30 June	15	3,265,136	3,308,646

The accompanying notes form part of this interim financial report.

* Net cash used in investing activities for the period includes the uplift and placement of fixed deposits held at banks with maturity over three months, which totalled RMB2,840,000,000 (2011: RMB3,115,094,000) and RMB2,880,000,000 (2011: RMB3,265,094,000) respectively.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, (“IAS 34”) issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 6 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this interim financial report, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that were applied to the 2011 annual financial statements.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes which do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2011 annual financial statements.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company. It has also been reviewed by the Company’s auditors, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s Review Report to the Board of Directors is included on page 25.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a few amendments to International Financial Reporting Standards (“IFRSs”) that are first effective for the current accounting period of the Group. None of the developments are relevant to the Group’s financial statements.

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

3 TURNOVER

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

	Six months ended 30 June	
	2012	2011
	RMB’000	RMB’000
Anta products	3,365,507	3,986,160
Others*	568,598	465,228
Total turnover	3,934,105	4,451,388

* Others represent sales of products of Sports Lifestyle series, Kids sportswear series, Fila branded products and sales to overseas customers for the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3 TURNOVER (Continued)

The Group is engaged in the manufacturing, trading and distribution of ANTA branded sporting goods ("the ANTA Business") and the trading and distribution of Fila branded sporting goods ("the Fila Business in the PRC"). For the six months ended 30 June 2012, the reported turnover, the absolute amount of the reported financial results and the assets of the Fila Business in the PRC are all less than 10% of the respective combined amounts of both businesses. In addition, the Directors consider that the presentation of segment information of the Fila Business in the PRC would not be meaningful in the interim financial report. Therefore, the Directors consider that the Group has one single reportable segment only and, accordingly, no segmental information is presented.

For the six months ended 30 June 2012 and 2011, there was no customer with whom transactions have exceeded 10% of the Group's turnover.

4 NET FINANCE INCOME

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Interest income	93,306	63,881
Net foreign exchange gain	–	4,103
	93,306	67,984
Interest expense recognised on payable carried at amortised cost	(4,001)	(1,691)
Net foreign exchange loss	(1,113)	–
	(5,114)	(1,691)
Net finance income	88,192	66,293

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Cost of inventories sold (i)	2,290,446	2,546,332
Staff costs (i) & (ii)	345,584	373,651
Depreciation (i)	31,961	33,894
Amortisation		
— lease prepayments	399	400
— intangible assets	12,127	8,496
Provision for doubtful debts	85,497	–
Subcontracting charges (i)	45,614	64,250
Operating lease charges in respect of properties	29,366	26,089
Research and development costs (i) & (ii)	86,081	88,990

(i) Cost of inventories sold includes subcontracting charges, staff costs, depreciation and research and development costs, total amounting to RMB313,699,000 (2011: 365,228,000).

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



6 TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Current tax		
PRC Corporate Income Tax	245,045	206,207
Withholding tax on dividends (iv)	28,446	54,667
Deferred tax (note 18(b))		
Distribution of dividends	(28,446)	(54,667)
Origination and reversal of other temporary differences	(27,330)	30,838
	217,715	237,045

(i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

(ii) No provision for Hong Kong Profits Tax, Macao Complementary (Profits) Tax, and Singapore Income Tax has been made as the Group does not have assessable profits subject to Hong Kong Profits Tax, Macao Complementary (Profits) Tax and Singapore Income Tax during the six months ended 30 June 2012 and 2011.

(iii) In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance note, certain subsidiaries in Mainland China are entitled to tax concessions and tax relief whereby the profits of these subsidiaries are taxed at preferential income tax rates. Taxation of the Group's subsidiaries in Mainland China are calculated using the applicable preferential income tax rates granted to these subsidiaries.

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

(iv) Withholding tax on dividends represents tax charged by the PRC tax authority on dividends distributed by the Group's subsidiaries in Mainland China during the period.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2012 is based on the profit attributable to equity shareholders of the Company for the period of RMB769,619,000 (2011: RMB927,277,000) and the weighted average number of ordinary shares in issue during the six months ended 30 June 2012 of 2,494,163,000 (Six months ended 30 June 2011: 2,493,895,000).

Weighted average number of ordinary shares

	Six months ended 30 June	
	2012	2011
	'000 shares	'000 shares
Issued ordinary shares at 1 January	2,494,163	2,493,833
Effect of share options exercised	–	62
Weighted average number of ordinary shares at 30 June	2,494,163	2,493,895

(b) Diluted earnings per share

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

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2012	2011
	'000 shares	'000 shares
Weighted average number of ordinary shares	2,494,163	2,493,895
Effect of deemed issue of shares under the Company's share option schemes	4,565	7,086
Weighted average number of ordinary shares (diluted)	2,498,728	2,500,981

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8 PROPERTY, PLANT AND EQUIPMENT

	2012 RMB'000	2011 RMB'000
Net book value, as at 1 January	472,606	503,474
Additions	10,141	18,279
Transfer from construction in progress (note 9)	2,132	551
Disposals (net book value)	(273)	(498)
Depreciation charge for the period	(31,961)	(33,894)
Net book value, as at 30 June	452,645	487,912

9 CONSTRUCTION IN PROGRESS

	2012 RMB'000	2011 RMB'000
As at 1 January	207,603	149,628
Additions	128,420	25,948
Transfer to property, plant and equipment (note 8)	(2,132)	(551)
As at 30 June	333,891	175,025

10 LEASE PREPAYMENTS/PREPAYMENTS FOR ACQUISITION OF LAND USE RIGHTS

(a) Lease prepayments

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

(b) Prepayments for acquisition of land use rights

As at 30 June 2012, the Group made prepayments of RMB119,844,000 (31 December 2011: RMB96,715,000) for the acquisition of certain land use rights for self-operating properties under development in the PRC. The related ownership certificates are under application as at 30 June 2012.

11 INTANGIBLE ASSETS

	2012 RMB'000	2011 RMB'000
Net book value, as at 1 January	540,614	531,349
Additions	3,567	14,722
Amortisation for the period	(12,127)	(8,496)
Net book value, as at 30 June	532,054	537,575

12 INVENTORIES

	30 June 2012 RMB'000	31 December 2011 RMB'000
Raw materials	111,954	112,306
Work in progress	85,312	104,445
Finished goods	430,598	401,379
	627,864	618,130



13 TRADE AND OTHER RECEIVABLES

	30 June 2012 RMB'000	31 December 2011 RMB'000
Trade receivables	855,863	762,202
Less: provision for doubtful debts	(85,497)	–
	770,366	762,202
Advance payments to suppliers	589,138	729,674
Deposits and other prepayments	151,255	102,753
Prepayment for construction costs	28,901	25,258
VAT deductible	73,736	73,103
Interest receivables	18,302	12,510
Other receivables	4,274	3,110
	1,635,972	1,708,610

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

	30 June 2012 RMB'000	31 December 2011 RMB'000
Current	684,870	727,525
Less than 3 months past due	165,782	31,187
Past due over 3 months	5,211	3,490
	855,863	762,202

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

The provision for doubtful debts is recorded using a provision account unless the Group is satisfied that recovery is remote, in which case the unrecovered loss is written off against trade receivables and the provision for doubtful debts directly.

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

	2012 RMB'000	2011 RMB'000
As at 1 January	–	–
Provision for doubtful debts	85,497	–
As at 30 June	85,497	–

14 OTHER CURRENT FINANCIAL ASSETS/ PLEDGED DEPOSITS

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

Pledged bank deposits have been pledged as security for certain construction projects and a bank loan (see note 16).

15 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS HELD AT BANKS

	30 June 2012 RMB'000	31 December 2011 RMB'000
Deposits with banks within three months to maturity when placed	2,414,786	2,106,373
Cash at bank and in hand	850,350	911,860
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	3,265,136	3,018,233
Deposits with banks with more than three months to maturity when placed	1,450,000	1,410,000
	4,715,136	4,428,233

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16 BANK LOAN

The bank loan as at 30 June 2012 was denominated in Hong Kong dollar, secured by certain available-for-sale investments and a bank deposit (see note 14) and repayable within one year.

17 TRADE AND OTHER PAYABLES

	30 June 2012 RMB'000	31 December 2011 RMB'000
Trade payables	684,912	574,639
Receipts in advance from customers	16,304	32,283
Construction costs payables	1,470	1,595
VAT and other taxes payables	38,321	43,365
Accruals	876,062	754,878
Other payables	66,249	64,735
	1,683,318	1,471,495

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

	30 June 2012 RMB'000	31 December 2011 RMB'000
Within 3 months	620,319	512,234
3 months to 6 months	42,632	17,307
Over 6 months	21,961	45,098
	684,912	574,639

18 TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

(b) Deferred tax assets and liabilities recognised:

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

Deferred tax arising from:	Dividend withholding tax RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2011	118,784	(46,343)	72,441
Released upon distribution of dividends (note 6(iv))	(54,667)	–	(54,667)
Charges for the period (note 6)	30,425	413	30,838
As at 30 June 2011	94,542	(45,930)	48,612
As at 1 January 2012	132,284	(51,501)	80,783
Released upon distribution of dividends (note 6(iv))	(28,446)	–	(28,446)
Charges/(credited) for the period (note 6)	42,097	(69,427)	(27,330)
As at 30 June 2012	145,935	(120,928)	25,007

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

(c) Deferred tax assets not recognised:

As at 30 June 2012, the Group's certain subsidiaries have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB115,105,000 (31 December 2011: RMB141,007,000) of which RMB25,770,000 (31 December 2011: RMB49,892,000) will expire within 5 years under the current tax legislation. The cumulative tax losses have not been recognised as a deferred tax asset as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

(d) Deferred tax liabilities not recognised:

As at 30 June 2012, temporary differences relating to the undistributed profits of the Group's certain subsidiaries in Mainland China amounted to RMB2,465,138,000 (31 December 2011: RMB2,408,495,000). Deferred tax liabilities of RMB123,257,000 (31 December 2011: RMB120,425,000) have not been recognised in respect of the withholding tax that would be payable on the distribution of these retained profits, as the Company controls the dividend policy of these subsidiaries in Mainland China and the Directors have determined that these profits are not likely to be distributed in the foreseeable future.

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

During the period, pursuant to the Company's Pre-IPO share option scheme (note 19(g)), no options were exercised. During the six month ended 30 June 2011, option was exercised to subscribe for 200,000 ordinary shares in the Company at a consideration of RMB707,000 of which RMB17,000 was credited to share capital and the balance of RMB690,000 was credited to the share premium account. RMB27,000 has been transferred from the share-based compensation reserve to the share premium account. 2,026,000 options (2011: 4,790,000) lapsed during the period. As at 30 June 2012, the total number of shares which may be issued upon the exercise of all options outstanding from the Company's Pre-IPO share option scheme and Share Option Scheme is 32,946,000 (31 December 2011: 34,972,000).

(b) Share premium

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

(c) Capital reserve

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

(d) Statutory reserve

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

(e) Exchange reserve

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

(f) Share-based compensation reserve

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

19 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(g) Pre-IPO share option scheme

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

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

(h) Share Option Scheme

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

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

(i) Dividends

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

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Interim dividend declared after the interim period of HK23 cents per ordinary share (2011: HK26 cents per ordinary share)	467,818	531,210

The interim dividend has not been recognised as a liability as at 30 June 2012.

- (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	
	2012	2011
	RMB'000	RMB'000
Final dividend in respect of the financial year ended 31 December 2011, approved and paid during the following period, of HK26 cents per ordinary share (2010: HK25 cents per ordinary share)	526,697	523,651



20 COMMITMENTS

(a) Operating leases

As at 30 June 2012, the total future minimum lease payments under non-cancellable operating leases in respect of properties are payable as follows:

	30 June 2012 RMB'000	31 December 2011 RMB'000
Within 1 year	36,083	42,322
After 1 year but within 5 years	25,986	32,266
After 5 years	280	1,120
	62,349	75,708

(b) Capital commitments

Capital commitments outstanding as at 30 June 2012 not provided for in the interim financial report are as follows:

	30 June 2012 RMB'000	31 December 2011 RMB'000
Contracted for	51,750	50,472
Authorised but not contracted for	422,910	197,634
	474,660	248,106

21 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with a related party

During the six months ended 30 June 2012, the Group purchased raw materials from Quanzhou Anda Packaging Co., Ltd ("Quanzhou Anda") totalling RMB9,463,000 (2011: RMB9,950,000). The Directors of the Company are of the opinion that such purchases were conducted on normal commercial terms and in the ordinary course of business.

(b) Balance with a related party

As at 30 June 2012, trade balance due to Quanzhou Anda amounted to RMB2,040,000 (31 December 2011: RMB1,900,000). The amount due to Quanzhou Anda is unsecured, interest free and is expected to be paid within one year.

(c) Key management personnel remuneration

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

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Short-term employee benefits	5,724	5,752
Equity-settled share-based payments	862	1,329
	6,586	7,081

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

22 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 June 2012, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

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

Name of Directors	Company/Name of associated corporation	Capacity/Nature of interest	Interest in ordinary shares	Interest in underlying shares ⁽²⁾	Approximate percentage of interest in such corporation ⁽¹⁾
Mr. Ding Shizhong	Company	Founder of a discretionary trust	1,438,346,000 ⁽³⁾	—	57.67%
	Anta International	Founder of a discretionary trust	4,144 ⁽³⁾	—	41.44%
Mr. Ding Shijia	Company	Founder of a discretionary trust	1,432,900,000 ⁽⁴⁾	—	57.45%
	Anta International	Founder of a discretionary trust	4,084 ⁽⁴⁾	—	40.84%
Mr. Lai Shixian	Company	Interest of spouse	167,700,000 ⁽⁵⁾	—	6.72%
	Company	Beneficial owner	—	5,250,000	0.21%
Mr. Wang Wenmo	Anta International	Founder of a discretionary trust	1,141 ⁽⁶⁾	—	11.41%
Mr. Wu Yonghua	Anta International	Founder of a discretionary trust	601 ⁽⁷⁾	—	6.01%
Mr. Zheng Jie	Company	Beneficial owner	300,000	—	0.01%
	Company	Beneficial owner	—	1,000,000	0.04%

Notes:

- (1) As at 30 June 2012, the number of outstanding ordinary shares of the Company and of Anta International were 2,494,163,000 and 10,000 respectively.
- (2) The interests in underlying shares represent the interests in share options granted pursuant to the Pre-IPO share option scheme and the Share Option Scheme, details of which are set out in note 19(g) and 19(h) respectively to the interim financial report.
- (3) 1,431,900,000 Shares were held through Anta International, an associated corporation, representing 57.41% of the issued share capital of the Company as at 30 June 2012, and 6,446,000 Shares were held through Shine Well (Far East) Limited ("Shine Well") directly. Shine Well is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International and therefore is deemed to be interested in all the Shares held by Anta International. The entire issued share capital of Shine Well is held by Top Bright Assets Limited. The entire issued share capital of Top Bright Assets Limited is in turn held by HSBC International Trustee Limited ("HSBC Trustee") acting as the trustee of the DSZ Family Trust. The DSZ Family Trust is an irrevocable discretionary trust set up by Mr. Ding Shizhong as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DSZ Family Trust are family members of Mr. Ding Shizhong. Mr. Ding Shizhong as founder of the DSZ Family Trust is deemed to be interested in the Shares held by Anta International and Shine Well and 4,144 shares of Anta International held by Shine Well.



CORPORATE GOVERNANCE AND OTHER INFORMATION

- (4) 1,431,900,000 Shares were held through Anta International, representing 57.41% of the issued share capital of the Company as at 30 June 2012, and 1,000,000 Shares were held through Talent Trend Investment Limited ("Talent Trend") directly. Talent Trend is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International and therefore is deemed to be interested in all the Shares held by Anta International. The entire issued share capital of Talent Trend is held by Allwealth Assets Limited. The entire issued share capital of Allwealth Assets Limited is in turn held by HSBC Trustee acting as the trustee of the DSJ Family Trust. The DSJ Family Trust is an irrevocable discretionary trust set up by Mr. Ding Shijia as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DSJ Family Trust are family members of Mr. Ding Shijia. Mr. Ding Shijia as founder of the DSJ Family Trust is deemed to be interested in the Shares held by Anta International and Talent Trend and 4,084 shares of Anta International held by Talent Trend.
- (5) The interests of Mr. Lai Shixian in the Company were held through Anda Holdings, which held 167,700,000 Shares, representing 6.72% of the issued share capital of the Company as at 30 June 2012. Spring Star Assets Limited holds the entire issued share capital of Anda Holdings, which is in turn held by HSBC Trustee acting as the trustee of the DYL Family Trust. The DYL Family Trust is an irrevocable discretionary trust set up by Mr. Lai Shixian's spouse, Ms. Ding Yali, as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DYL Family Trust are issue of Ms. Ding Yali. Ms. Ding Yali as founder of the DYL Family Trust is deemed to be interested in the Shares held by Anda Holdings and Mr. Lai Shixian is also deemed under the SFO to be interested in the interests of his spouse, Ms. Ding Yali.
- (6) The interests of Mr. Wang Wenmo in Anta International were held through Fair Billion Development Limited, which held 1,141 shares of Anta International, representing 11.41% of the issued share capital of Anta International as at 30 June 2012. The entire issued share capital of Fair Billion Development Limited is held by Asia Bridges Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WWM Family Trust. The WWM Family Trust is an irrevocable discretionary trust set up by Mr. Wang Wenmo as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WWM Family Trust are family members of Mr. Wang Wenmo. Mr. Wang Wenmo as founder of the WWM Family Trust is deemed to be interested in the 1,141 shares of Anta International held by Fair Billion Development Limited.
- (7) The interests of Mr. Wu Yonghua in Anta International were held through Spread Wah International Limited, which held 601 shares of Anta International, representing 6.01% of the issued share capital of Anta International as at 30 June 2012. The entire issued share capital of Spread Wah International Limited is held by Allbright Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust is an irrevocable discretionary trust set up by Mr. Wu Yonghua as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WYH Family Trust are family members of Mr. Wu Yonghua. Mr. Wu Yonghua as founder of the WYH Family Trust is deemed to be interested in the 601 shares of Anta International held by Spread Wah International Limited.

Save as disclosed above, as at 30 June 2012, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had otherwise been notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Interests and short positions of substantial shareholders

As at 30 June 2012, 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:

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

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

Notes:

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

HSBC Trustee was the trustee of the DSZ Family Trust and the DSJ Family Trusts and it held the entire issued share capital of Top Bright Assets Limited and Allwealth Assets Limited, which in turn held the entire issued share capital of Shine Well and Talent Trend, respectively. Each of Shine Well and Talent Trend was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anta International and therefore each of them was deemed to be interested in all the 1,431,900,000 Shares held by Anta International. Accordingly, HSBC Trustee, Top Bright Assets Limited, Allwealth Assets Limited, Shine Well and Talent Trend were indirectly interested in the 1,431,900,000 Shares held by Anta International. 6,446,000 Shares were held by Shine Well directly. Accordingly, HSBC Trustee and Top Bright Assets Limited were also deemed to be interested in the 6,446,000 Shares held by Shine Well. 1,000,000 Shares were held by Talent Trend directly. Accordingly, HSBC Trustee and Allwealth Assets Limited were also deemed to be interested in the 1,000,000 Shares held by Talent Trend.

HSBC Trustee was the trustee of the DYL Family Trust and it held the entire issued share capital of Spring Star Assets Limited, which in turn was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anda Holdings. Accordingly, HSBC Trustee and Spring Star Assets Limited were deemed to be interested in the 167,700,000 Shares held by Anda Holdings.

HSBC Trustee was the trustee of the DHM Family Trust and it held the entire issued share capital of Sackful Gold Limited, which in turn was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anda Investments. Accordingly, HSBC Trustee and Sackful Gold Limited were deemed to be interested in the 120,400,000 Shares held by Anda Investments.



CORPORATE GOVERNANCE AND OTHER INFORMATION

- (2) *Spring Star Assets Limited was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anda Holdings and therefore was deemed to be interested in all the 167,700,000 Shares held by Anda Holdings.*

The entire issued share capital of Spring Star Assets Limited was held by HSBC Trustee acting as the trustee of the DYL Family Trust. The DYL Family Trust was an irrevocable discretionary trust set up by Ms. Ding Yali as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DYL Family Trust were issue of Ms. Ding Yali. Ms. Ding Yali as founder of the DYL Family Trust was deemed to be interested in the 167,700,000 Shares held by Spring Star Assets Limited.

- (3) *Ms. Ding Yali was deemed under the SFO to be interested in the 5,250,000 Shares which may be issued to her spouse, Mr. Lai Shixian, an Executive Director of the Company, upon exercise of options granted to Mr. Lai Shixian under the Pre-IPO share option scheme, details of which are set out in note 19(g) of the interim financial report.*

Save as disclosed above, as at 30 June 2012, 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.

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 will strive 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.

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Listing Rules. The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the Code. In respect of the six months ended 30 June 2012, save as disclosed below, all the code provisions set out in the Code were met by the Company.

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

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries to all the Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2012.

The Audit Committee is responsible for the review and supervision of the Group’s financial reporting process, internal controls and review of the consolidated financial statements. The Audit Committee meets regularly with the Company’s external auditors to discuss the audit process and accounting issues (and in the absence of management if appropriate). Their written terms of reference are in line with the Code provisions. Members of the Audit Committee comprise Mr. Yeung Chi Tat (Chairman), Mr. Lu Hong Te and Mr. Dai Zhongchuan, all of whom are Independent Non-Executive Directors. The interim financial report of the Group for the six months ended 30 June 2012 is unaudited but has been reviewed by KPMG, the auditors of the Company, and by the Audit Committee.

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2012.

GLOSSARY

Anda Holdings

Anda Holdings International Limited

Anda Investments

Anda Investments Capital Limited

ANTA

ANTA Brand

Anta International

Anta International Group Holdings Limited

ANTA Sports/ Company

ANTA Sports Products Limited

ANTA Store(s)

ANTA authorised retail store(s)

ASP/Average Selling Price

Sales amount divided by sales quantity

Average Sales Floor Area

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

Board

The Board of Directors of the Company

BVI

The British Virgin Islands

CBA

Chinese Basketball Association

CCTV

China Central Television

China/PRC

People's Republic of China

CNAS

China National Accreditation Service for Conformity Assessment

COC

Chinese Olympic Committee

CPI

Consumer Price Index

CSD

Chinese Sports Delegation

CSR

Corporate Social Responsibility

CUBA

Chinese University Basketball Association

ERP

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

Executive Directors

Executive directors of the Company

Fila Business in the PRC

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

Fila PRC Trademarks

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

Fila Products

Sportswear products bearing the Fila PRC Trademarks

GDP

Gross Domestic Product

Group

The Company and its subsidiaries

Hong Kong

The Hong Kong Special Administrative Region of the PRC

Hong Kong Dollars, HK\$

Hong Kong Dollars, the lawful currency of Hong Kong

Hong Kong Stock Exchange/HKEX

The Stock Exchange of Hong Kong Limited

Independent Non-Executive Directors

Independent non-executive directors of the Company

IOC

International Olympic Committee

IPO

Initial Public Offering

Kids Sportswear series

ANTA's sportswear products for children aged between 3 and 14

Listing Rules

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

MSCI

Morgan Stanley Capital International Global Standard Index

NBA

National Basketball Association

ODM

Original Design Manufacturer

OEM

Original Equipment Manufacturer

Period

6 months ended 30 June 2012

POP

Point of purchase advertising

POS

ANTA stores' point of sales

PPI

Producer Price Index

R&D

Research and development

RMB

Renminbi, the lawful currency of the PRC

Share(s)

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

Shareholders

Shareholders of the Company

Sports Lifestyle series

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

Total Sales Floor Area

Practical sales floor area, excluding warehouse

TVC

Television Commercial



Stock Codes

HKEx: 2020

Reuters: 2020.HK

Bloomberg: 2020HK

MSCI: 3741301



INVESTORS INFORMATION



CORPORATE PROFILE

As one of the leading branded sportswear enterprises in China, ANTA Sports Products Limited primarily designs, develops, manufactures and markets sportswear, including sports footwear, apparel and accessories. The Group has established extensive distribution network with a leading presence in second and third tier cities in China under the management of regional distributors. The Group places great emphasis on branding by integrating sports resources and sponsorship, advertising and promotional activities and consistent store image to enhance brand and product differentiation. For the past 11 years, its footwear has been enjoying a leading position in China composed index on market share.

IR Contacts

IF YOU HAVE ANY INQUIRIES, PLEASE CONTACT:

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E-mail: ir@anta.com.hk IR website: ir.anta.com

Brand website: www.anta.com

Hill+Knowlton Strategies Asia, 36/F, PCCW Tower,

Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Telephone: (852) 2894 6378 Fax: (852) 2576 1990

Email: anta@hkstrategies.com

Share Information

Listing Day:
10 July 2007

Board lot size:
1,000 shares

**Numbers of shares in
outstanding:**
2,494,163,000 shares
(As at 30 June 2012)

IMPORTANT DATES

6 August 2012

Interim results
announcement

21 August 2012 4:30 p.m.

Record date of 2012
interim dividend

On or about 31 August 2012

Payment date of 2012
interim dividend

31 December 2012

Financial year end
date of 2012

Dividends

HK cents	2008	2009	2010	2011	2012
Interim dividend	10	12	20	26	23
Final dividend	10	12	25	26	
Special dividend	8	11	—	—	

London 2012

CHINA



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

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

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated financial statements for the six months ended 30 June 2012.

DIVIDENDS

The Board recommend the payment of an interim dividend of HK23 cents per ordinary share for the six months ended 30 June 2012. The interim dividend will be payable on or about Friday, 31 August 2012 whose names appear on the register of members of the Company as at 4:30 p.m. on Tuesday, 21 August 2012. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 21 August 2012.

PUBLICATION OF RESULTS ANNOUNCEMENT

This interim results announcement is available for viewing on the websites of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> and the Company's website at ir.anta.com.

By Order of the Board
ANTA Sports Products Limited
Ling Shing Ping
Company Secretary

Hong Kong, 6 August 2012

As at the date of this announcement, the executive Directors are Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Lai Shixian, Mr. Wang Wenmo, Mr. Wu Yonghua and Mr. Zheng Jie; and the independent non-executive Directors are Mr. Yeung Chi Tat, Mr. Lu Hong Te and Mr. Dai Zhongchuan.