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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)

2015 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 2015. This announcement, containing the full text of the 2015 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 2015 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-August 2015.



**ANTA
SPORTS
PRODUCTS
LIMITED**

Incorporated in the Cayman Islands with limited liability

Stock Code: 2020

INTERIM REPORT 2015



你就是跑者



Inside front

CONTENTS

- 1** Corporate Information
- 2** Financial Overview
- 3** Results Highlights
- 4** Chairman's Statement
- 7** Management Discussion and Analysis-Market Review
- 8** Management Discussion and Analysis-Business Review
- 16** Management Discussion and Analysis-Financial Review
- 19** Management Discussion and Analysis-Prospects
- 20** Corporate Social Responsibility Report
- 21** Review Report of the Auditors
- 22** Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 23** Condensed Consolidated Statement of Financial Position
- 25** Condensed Consolidated Statement of Changes in Equity
- 26** Condensed Consolidated Statement of Cash Flows
- 27** Notes to the Interim Financial Report
- 37** Corporate Governance and Other Information
- 44** Glossary

Inside Back

Investors Information

Chen Penbin,
Chinese Ultra-marathon Runner



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 FOMA CGMA BBA(HKU)*

Board committees

Audit Committee

Yeung Chi Tat (Chairman)

Lu Hong Te

Dai Zhongchuan

Remuneration Committee

Lu Hong Te (Chairman)

Dai Zhongchuan

Ding Shizhong

Nomination Committee

Lu Hong Te (Chairman)

Yeung Chi Tat

Lai Shixian

Authorised representatives

Lai Shixian

Ling Shing Ping

Registered offices

Cayman Islands Office

Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

Hong Kong Office

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

Head offices in the PRC

Jinjiang Office

Dongshan Industrial Zone, Chidian Town, Jinjiang City, Fujian Province, PRC

Postal code: 362212

Xiamen Office

No. 99 Jiayi Road, Guanyinshan, Xiamen, Fujian Province, PRC

Postal code: 361008

Share registrars and transfer offices

Cayman Islands Principal Register

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, Cayman Islands

Hong Kong Branch Registrar

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Legal adviser

Norton Rose Fulbright Hong Kong

Auditor

KPMG

Internal control review adviser

KPMG Advisory (China) Limited

Public relations consultant

Hill+Knowlton Strategies Asia

Principal bankers

Agricultural Bank of China Bank of China Limited Bank of China (Hong Kong) Limited

Industrial and Commercial Bank of China China Construction Bank Corporation Hong Kong Branch

The Hongkong and Shanghai Banking Corporation Limited Hang Seng Bank Limited

FINANCIAL OVERVIEW

Six months ended 30 June	2015	2014	Changes
	(RMB million)	(RMB million)	(%)
Revenue	5,109.8	4,121.9	↑ 24.0
Gross profit	2,382.0	1,860.0	↑ 28.1
Profit from operations	1,266.9	986.1	↑ 28.5
Profit attributable to equity shareholders	965.3	802.8	↑ 20.2
Free cash inflow	952.5	824.8	↑ 15.5
	(RMB cents)	(RMB cents)	(%)
Earnings per share			
– Basic	38.65	32.17	↑ 20.1
– Diluted	38.57	32.10	↑ 20.2
Shareholders' equity per share	321.50	295.81	↑ 8.7
	(HK cents)	(HK cents)	(%)
Interim dividend per share	30	25	↑ 20.0
	(%)	(%)	(% point)
Gross profit margin	46.6	45.1	↑ 1.5
Operating profit margin	24.8	23.9	↑ 0.9
Margin of profit attributable to equity shareholders	18.9	19.5	↓ 0.6
Effective tax rate	26.4	25.2	↑ 1.2
Advertising and promotional expenses ratio (as a percentage of revenue)	11.0	10.8	↑ 0.2
Staff costs ratio (as a percentage of revenue)	11.1	11.6	↓ 0.5
R&D costs ratio (as a percentage of cost of sales)	5.2	4.2	↑ 1.0

Notes:

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

As at 30 June	2015	2014	Changes
	(%)	(%)	(% point)
Gearing ratio ⁽¹⁾	9.1	9.4	↓ 0.3
Return on average total shareholders' equity (annualised) ⁽²⁾	24.6	22.3	↑ 2.3
Return on average total assets (annualised) ⁽³⁾	17.1	15.4	↑ 1.7
Average total shareholders' equity to average total assets	69.6	69.1	↑ 0.5
	(in 181 days)	(in 181 days)	(days)
Average inventory turnover days ⁽⁴⁾	57	59	↓ 2
Average trade receivables turnover days ⁽⁵⁾	33	38	↓ 5
Average trade payables turnover days ⁽⁶⁾	42	69	↓ 27

Cautionary Statement Regarding Forward-Looking Statements

This Interim Report 2015 contains certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, that include wordings like "potential", "estimated", "expects", "anticipates", "objective", "intends", "plans", "believes", "estimates", and similar expressions or variations on such expressions may be considered "forward-looking statements".

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

RESULTS HIGHLIGHTS

Financial Performance

- Revenue increased by 24.0% to RMB5.11 billion
- Gross profit margin increased by 1.5% point to 46.6%
- Profit attributable to equity shareholders increased by 20.2% to RMB965.3 million
- Basic earnings per share increased by 20.1% to RMB38.65 cents
- 62.8% payout of the profit attributable to equity shareholders

Operational Performance

- Number of ANTA stores stood at 7,340
- Number of Kids sportswear series stores stood at 1,334
- Number of FILA stores in China, Hong Kong and Macao stood at 544



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present our interim results for the six months ended 30 June 2015.

We Achieved Remarkable Results and Sustained Our Growth Momentum

Facing rapid changes and intense competition in China's sportswear industry, we further enhanced product differentiation and implemented retail-oriented measures aimed at offering innovative products that fully match consumer demand, thereby gaining market share and improving retailers' profitability for the long run. Our revenue increased by 24.0% to RMB5.11 billion for the period (2014 1H: RMB4.12 billion), not only due to the growing demand for our differentiated value-for-money ANTA products, but also due to notable growth in other businesses, such as the Kids, Fila and e-commerce businesses. Profit attributable to equity shareholders also rose by 20.2% to RMB965.3 million (2014 1H: RMB802.8 million), with basic earnings per share amounting to RMB38.65 cents (2014 1H: RMB32.17 cents). To provide attractive returns to our shareholders, the Board proposed an interim dividend of HK30 cents per ordinary share (2014 interim dividend: HK25 cents), representing a payout ratio of 62.8% of profit attributable to equity shareholders for the period (2014 1H: 61.9%).

We Adopted a Focused Marketing Strategy to Enhance Brand Equity

We have consistently positioned ANTA as a functional sportswear brand that focuses on the

mass market and have enriched and leveraged our unique sports resources to differentiate ANTA from its peers. During the period, we put forth our best efforts to reinforce our influence and leading position in China's basketball market by promoting ANTA's professional image and value-for-money products with ANTA-endorsed NBA players in China. We signed an endorsement contract with Klay Thomson, a star shooting guard of the Golden State Warriors. With the support of his designated "KT FIRE" basketball shoes tailor-made by ANTA, he won his first NBA Championship ring at the young age of 25. In addition, we unveiled a new campaign for running, "RUN WITH ME", in order to maintain ANTA's leadership in China's running market by inspiring participation in running events. The campaign also aims to boost the popularity of ANTA's premium running technologies and professional products among the general public. Meanwhile, we supported renowned Chinese ultra-marathon runner Chen Penbin in his challenge to finish running the equivalent distance of 100 marathons in 100 consecutive days from Guangzhou to Beijing. As an official partner of the COC, we held a series of running events when Chen Penbin undertook his marathon challenge in order to promote running and unite China in its bid to host the 2022 Winter Olympics.

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

Innovation is one of our key success factors. Our strong capacity for innovation continues to bring us greater differentiation and helps us extend our leading position in China's sportswear market. During the period, we further upgraded our

A-Web technology and introduced the brand new A-Web 3.0 running shoes which provide better cooling and ventilation compared to the second-generation version. The A-Web 3.0 series also offers a wide range of SKUs adopting different technologies in the sole, including A-Loop, A-Silo, A-Jelly and Super Flexi, etc., so as to cater for the needs of different types of runners. Furthermore, the "Challenge 100", ANTA's supreme functional running shoes applying exceptional materials and advanced technologies, have been available to professional long-distance runners and well-received by the market. Adhering to the principle of providing value-for-money products, our professional running series, premium basketball series featuring ANTA-endorsed NBA players and "ANTA-NBA" co-branded series have been very well-received by runners and NBA fans and are being sold to mass-market consumers in China at affordable prices. Due to our strong product differentiation and effective pricing strategy, we were named the top seller of travel and sports shoes in China in terms of market share for the 14th consecutive year.

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

We have always been striving to help our retailers stay competitive, and have been helping them improve their profitability by taking comprehensive retail-oriented measures. In addition to implementing a streamlined distribution structure and emphasising retail efficiency in our corporate culture and values, we have engaged in thorough analysis of real-time retail performance and inventory movements gathered from our ERP system and provided to our retailers more precise future order guidelines

according to the most up-to-date market trends and changes in consumer demand. Meanwhile, we have further optimised the flexibility and efficiency of replenishment so as to satisfy the unforeseeable demand for our in-season signature products and to help minimise our retailers' inventory risks. Furthermore, we have consolidated the smaller, less efficient stores while continuing to open bigger and more attractive stores in prime locations so as to enhance overall store efficiency. By the end of June 2015, the number of ANTA stores stood at 7,340. We have also expanded our e-commerce business to capture the tremendous demand from the growing number of online shoppers and to bring synergy to both our online and offline retailers. More importantly, we have strategically strengthened our presence across China, with the numbers of ANTA Kids sportswear series stores and FILA stores standing at 1,334 and 544, respectively by the end of June 2015.

We Outperform through Stronger Execution and Operational Capabilities

China's sportswear industry is generally expected to continue to face intense competition and consolidation in the near term. Nevertheless, we have successfully regained growth through effective branding strategies and retail-oriented measures and are likely to hit another peak in the full year of 2015. Meanwhile, the Chinese government's support in expanding domestic demand, accelerating the development of the sports industry and the growing popularity of sports participation in China are favourable factors spurring the domestic sportswear market in the mid to long term. To stand out and to gain market share from our competitors, we will

leverage the influence of our unique sponsorship resources – including NBA China, the COC, 24 Chinese national teams, etc. – as well as our endorsers, to strengthen our brand equity and recognition. We will further tap into potential running, basketball and cross-training markets to gain market share by offering more innovative, differentiated, and good value-for-money products that fit consumer preferences and needs. Furthermore, we will continue to enhance overall store efficiency by consolidating our distribution network and optimising store size, location, decoration and product displays. We will also strategically expand our Kids sportswear series, e-commerce business and Fila business in the PRC to capture the growing demand from both online and offline consumers in various markets.

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



Ding Shizhong
Chairman

Hong Kong, 5 August 2015



A full-page photograph of three male Olympic weightlifters in a gym. On the left, Lin Qingfeng stands holding a barbell with red and blue weights. In the center, Lu Xiaojun is in a low, explosive starting stance. On the right, Liao Hui is in a similar stance, holding a weight plate. The gym has high ceilings, large windows, and various pieces of equipment like rings and weights in the background.

Lin Qingfeng,
Olympic Weightlifting Champion

Liao Hui,
Olympic Weightlifting Champion

Lu Xiaojun,
Olympic Weightlifting Champion

擊倒，擊倒你的
KNOCK DOWN WHATEVER
HAS KNOCKED YOU DOWN

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

China's Economy Maintained Solid and Steady Growth

To maintain economic growth momentum, the Chinese government has continued its economic reforms and implemented measures to drive consumption and urbanisation. China maintained steady GDP growth in the first half of 2015, while the ongoing expansion in domestic demand drove an increase in total retail sales of consumer goods. Per capita annual disposable income of urban residents also continued to rise as a result of the implementation of policies aimed at narrowing the income gap, improving livelihoods and spurring consumption.

In the first half of 2015, China's CPI grew at the lowest level in more than five years. China's PPI also declined for a 40th consecutive month. The weaker-than-expected inflation has raised concerns among the general public about the growing risk of deflation and the greater downward pressure on economic growth in China. However, it is generally believed that the easing in inflation data gives Chinese policymakers room to take more aggressive stimulus measures and engage monetary easing policies to support the country's

economy with healthier growth and more sustainable development in the long run.

Stronger Sportswear Brands Gain Advantage amid Industry Consolidation

Over the past few years, China's sportswear industry as a whole has been facing challenges associated with a lack of brand identity and product differentiation, over-expansion of stores and poor inventory management. While industry players are striving to turn business around by implementing reforms and appropriate measures, the varied results across different brands depend on their fundamentals, competitiveness as well as innovation and execution capabilities.

Stronger sportswear brands are generally expected to outperform their peers and to achieve sustainable growth by leveraging their core strengths, including effective brand positioning and marketing strategies, sound management of distribution networks, sophisticated retail monitoring systems, cost-efficient and responsive supply chains, strong R&D capabilities and highly differentiated products.

The ongoing urbanisation, improving livelihoods and growing popularity of sports in China are also

boosting consumer demand for sportswear with better functions, quality and designs. Chinese policymakers also plan to adopt measures to accelerate the development of the sports industry and to boost sport-related consumption. Therefore, sportswear brands that are better recognised, more responsive to market trends and more capable of delivering value-for-money and innovative products to consumers are expected to gain market share amid rapid changes and consolidation in the sector in the longer term.



CHINA'S ECONOMIC DATA

National Income	GDP	RMB29,686.8 billion	YoY ▲ 7.0%
Urban Residents' Income	Per capita annual disposable income	RMB15,699	YoY ▲ 6.7%*
Consumption	Total retail sales of consumer goods	RMB14,157.7 billion	YoY ▲ 10.4%
	Clothing sector (including sports footwear and apparel)	RMB637.5 billion	YoY ▲ 10.7%
Inflation	CPI	101.3 (2014 1H=100)	YoY ▲ 1.3%
	PPI	95.4 (2014 1H=100)	YoY ▼ 4.6%

* Actual growth after deducting price factors

Source: National Bureau of Statistics of China (as at 30 June 2015)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

BRAND MANAGEMENT

Our strategic and diversified brand management approach backs us up in achieving success and sustainability in the long run. Apart from ANTA, which is positioned as a functional sportswear brand focusing on the mass market, we also have the ANTA Kids sportswear series and FILA targeting mass-market parents and children and high-end fashion-conscious consumers, respectively. We reinforce our unique brand identity and level of brand association through cost-effective sponsorship, endorsements and online marketing. We are also committed to incorporating our influential sponsorship resources into effective promotional channels such as popular digital social networks and broadcast media to maintain our leading brand recognition and desirability in China. Moreover, we are devoted to providing consumers with a satisfactory and pleasurable shopping experience by encouraging retailers to revamp the decoration of our stores and optimise product displays according to our quarterly marketing themes.

More importantly, this year, we were named one of the “Best China Brands 2015” for the sixth consecutive year by Interbrand, the world’s largest integrated brand consultancy, which indicated that our brand value rose by 9% to RMB8.124 billion. We were also the only Chinese sportswear brand to be shortlisted for two consecutive years. This not only underscores the unrivaled strength of our brand equity and competitive edge, but also reflects our strong public recognition across China.

1. ANTA Representing China’s Sports Essence

Apart from working closely with the COC and CSD, providing quality winning outfits for top Chinese athletes competing at influential sporting events, we also sponsor 24 Chinese national teams from five Sports Management Centres, namely Water Sports, Winter Sports, Boxing and Taekwondo, Gymnastics and Weightlifting, Wrestling and Judo. All members of these national teams are equipped with professional sportswear tailor-made by ANTA for both competition and training, further strengthening the credibility of our products and enhancing our brand image of representing China’s sports essence.

During the period, we kicked off a new advertising campaign for our cross-training product series endorsed by renowned Chinese athletes such as two-time Olympic boxing gold medalist Zou Shiming, Olympic trampoline champion He Wenna, artistic gymnastics athlete Zhang Doudou, members of the Chinese national men’s weightlifting team, etc. In April 2015, we tailor-made the “Challenge 100” running shoe for renowned Chinese ultra-marathon runner Chen Penbin, supporting him in his challenge of finishing 100 marathons in 100 consecutive days. He started his quest in Guangzhou, running along the southeast coast, across Guangdong Province and Fujian Province, then headed north to Shanghai, Jiangsu Province, Hebei Province and Tianjin before arriving in Beijing on 10 July, running a total of 4,219.54km. This event was not only an unprecedented feat for Chen, but was also a good opportunity to promote ANTA’s “Keep Moving” brand spirit and to unite China in its bid to host the 2022 Winter Olympics.

In order to maximise the effectiveness and interactiveness of our marketing campaigns, we leverage our sponsorship resources to enhance awareness of our brand and products through various broadcast and online media channels such as TVCs for websites, WeChat and Weibo. During the period, we held a series of running events and interactive games via Wechat to highlight Chen Penbin’s quest to finish 100 marathons and to promote our newly-launched “Challenge 100” functional running shoes, which had successful marketing impact by drawing the attention of consumers.

2. ANTA as a Functional and Mass Market Brand

We have always been committed to offering professional sportswear products featuring good value-for-money and excellent



functionality, which help ANTA continue to be the most renowned domestic sportswear brand in China's mass market. Our exclusive and influential sports sponsorships contribute to strengthening our association with different kinds of sports such as running and basketball, thereby fortifying consumer loyalty to our brand and products.

We aim to leverage our premium technologies and innovative strength to create running gear featuring better functionality and quality for runners. In May 2015, we unveiled our "RUN WITH ME" running strategy at the 33rd China Sport Show in Fuzhou, China. Along with the rapid growth of China's running market and the surge in its running community, our "RUN WITH ME" running strategy will help us maintain our leadership in China's running market. We have been investing in technology and product innovation and are striving to boost the popularity of our premium running technologies among the general public. Driven by our sponsored Olympic Day Run, nationwide online marketing and eye-catching in-store POPs, ANTA's value-for-money professional sports gear which adopts our innovative technologies such as A-Jelly, A-Silo, Super Flexi, A-Loop and newly-launched A-Web 3.0 technology have been well-received by all kinds of sports lovers.

Since 2014, we have been the official marketing partner of NBA China and licensee of the NBA, and can thus use the NBA logo and the logos of the current 30 NBA teams, the NBA's legendary teams and NBA events on adult and kids basketball shoes and accessories. Our collaboration with the NBA has not only helped us boost our professional brand image and influence in the basketball market, but has also deepened consumers' sense of belonging in us. During the period, we further enriched our portfolio of ANTA-NBA co-branded series

products by introducing the 2015 NBA All-Star Game and Finals editions of our basketball shoes to arouse NBA fans' enthusiasm for basketball.

In February 2015, Klay Thompson, a star shooting guard with the Golden State Warriors, joined ANTA as our endorser. Our "Basketball is Priceless" team, together with another four NBA stars-Kevin Garnett, Rajon Rondo, Luis Scola and Chandler Parsons not only form a star-studded team on the basketball court, but are also a powerful assembly of top NBA resources for a Chinese sportswear brand. Meanwhile, we tailor-made the designated "KT FIRE" basketball shoes for Klay Thompson featuring the orange and blue colour scheme of the Golden State Warriors along with a sharp contour and figure. The "KT FIRE" matches Thompson's image as a sharpshooter, and the technologies applied to the shoe can fully satisfy his needs for functionality on the court. In June 2015, after Thompson won his first NBA championship ring in the 2015 NBA Finals, we immediately launched a large-scale marketing campaign celebrating his team's win over the Cleveland Cavaliers so as to strengthen our brand recognition and to boost the sales of our basketball products.

DISTRIBUTION NETWORK MANAGEMENT

Retail-oriented Strategy

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

1. Build Retail-oriented Mindset and Appraisal System

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



MANAGEMENT DISCUSSION AND ANALYSIS



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

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

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

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

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

4. Strictly Require Retailers to Comply with Our Retail-related Policies

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

5. Optimise Retailers' Operating Performance and Store Efficiency

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

6. Our Brand Reaches Ultimate Customers through Nationwide Distribution Network

An attractive store image and a pleasant shopping experience also play a key role in enhancing retail efficiency and boosting customer traffic. The eye-catching layouts at our flagship stores in prime locations and the sixth-generation store layout help showcase our distinctive and unified brand image. Store decor and promotional materials such as in-store posters and product display props are provided to retail stores to highlight the marketing theme and product story of the season. We also further optimised our visual merchandising during the period to put our signature products – such as the “ANTA-NBA” co-branded series, “Basketball is Priceless” series, cross-training series as well as our professional running series – in the spotlight.

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

We believe that the sustainability of a distribution network is mainly driven by store quality, including aspects such as location,

size, efficiency, store layout, etc., rather than on the number of stores. Therefore, we have consolidated the smaller, less efficient stores while continuing to open bigger and more attractive stores in prime locations so as to enhance overall store efficiency. The numbers of ANTA stores and Kids sportswear series stores as at 30 June 2015 were 7,340 and 1,334, respectively (end of 2014: 7,622 and 1,228).

E-commerce Business

Since 2009, we have been implementing a multi-channel strategy by launching an e-commerce business. In addition to operating our official online flagship store (www.anta.cn), we have cooperated with and opened self-operated webstores on prevailing e-commerce platforms in China. Meanwhile, authorised third party online retailers can open webstores selling our products subject to our unified sales policies. By selling in-season products and online exclusive products from our ANTA, Kids and FILA lines, our e-commerce business is no longer a channel for clearing aging inventory but has already become a comprehensive and interactive platform for consumers looking to buy our unique products, and also provides them with the most convenient online shopping experience and the most reliable delivery and after-sales service. Furthermore, we have allowed some of our outstanding offline distributors to sell ANTA products online with the aim of maximising mutual benefits between web-based and brick-and-mortar stores. More importantly, we launched a “red packet” marketing campaign to celebrate the third anniversary of our official online flagship store and kicked off promotional activities on certain online shopping festivals to boost our online sales during the period.

Overseas Markets

To achieve sustainable growth, we have selectively expanded our distribution network into the

international market. Our overseas retailers operate ANTA stores and concessionary counters in Southeast Asia, Eastern Europe and the Middle East. Leveraging our competitive edges such as exclusive sponsorship resources, renowned endorsers and eye-catching advertising campaigns, we continued to enhance our international exposure and improve our sales performance in overseas markets during the period. We also worked closely with our overseas retailers to explore more opportunities in emerging markets so as to achieve greater win-win outcomes.

SUPPLY CHAIN MANAGEMENT

An effective supply chain management plays an important role in driving the sustainability of a business. Therefore, we pay close attention to product innovation, quality control as well as the responsiveness and cost-effectiveness of our supply chain. During the period, we further maximised our R&D and supply chain capabilities to bring us greater product differentiation. In addition, our travel and sports shoes ranked number one in China in terms of market share for the 14th consecutive year, according to the results of “The 23rd China Retail Consumption Statistical Analysis” announced in 2015 jointly conducted by the China General Chamber of Commerce and the China National Commercial Information Centre. This remarkable achievement fully illustrates success in our positioning as a mass-market brand and the recognition our products have continued to gain among consumers in China.

Product Innovation

We believe technological innovation and pioneering design are essential for improving product differentiation. During the period, we introduced over 770, 1,540 and 640 new style items to our footwear, apparel and accessories portfolios, respectively. In order to cater for the needs of both professional and casual users, we are not

only committed to introducing new technologies leveraging our strong R&D capabilities, but also regularly upgrade our signature technologies, including A-Jelly, A-Silo, Super Flexi, A-Loop, etc., as well as the newly-launched A-Web 3.0 technology, which provides better cooling and ventilation compared to the second-generation version. In addition, during the period, we also launched the new “Challenge 100” functional running shoes to support renowned Chinese ultra-marathon runner Chen Penbin in his quest to finish 100 marathons in 100 consecutive days. The upper part of the shoes is made of engineered mesh, making the shoes light and fitted, and allows the wearer to effectively accelerate the release of heat build-up in the shoes; the mid-cut supportive design of the shoes wraps around the feet perfectly; the soles are made of durable rubber to resist abrasion; and AUTO-arch technology is applied to the arches of the shoes to ensure stability during exercise. The heels and the soles of the shoes apply our A-CORE technology and multi-layer structure, respectively, to enhance the shock-absorbing function and to minimise possible impacts on and injuries to runners during exercise. The “Challenge 100” running shoes have received an overwhelming response since being launched in the second quarter of this year due to its excellent functionality and affordable price.



Rajon Rondo,
a point guard with the Dallas
Mavericks of the NBA

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

實力無價
BASKETBALL
IS PRICELESS

MANAGEMENT DISCUSSION AND ANALYSIS

Quality Control

Our effective retail-oriented strategy enables us to enhance controls over our retail channels and to develop recognisable products that are well-received by consumers. We believe that offering comfortable and protective high-quality products to consumers is one of our competitive advantages in gaining market share. Therefore, we continue to enhance our quality control capabilities throughout the entire manufacturing process at both our own factories and in our suppliers' production facilities. To ensure that we and our suppliers produce products with the best quality, we have adopted the ISO international testing standards. We also strictly require our suppliers to follow our quality policies and to comply with international standards.

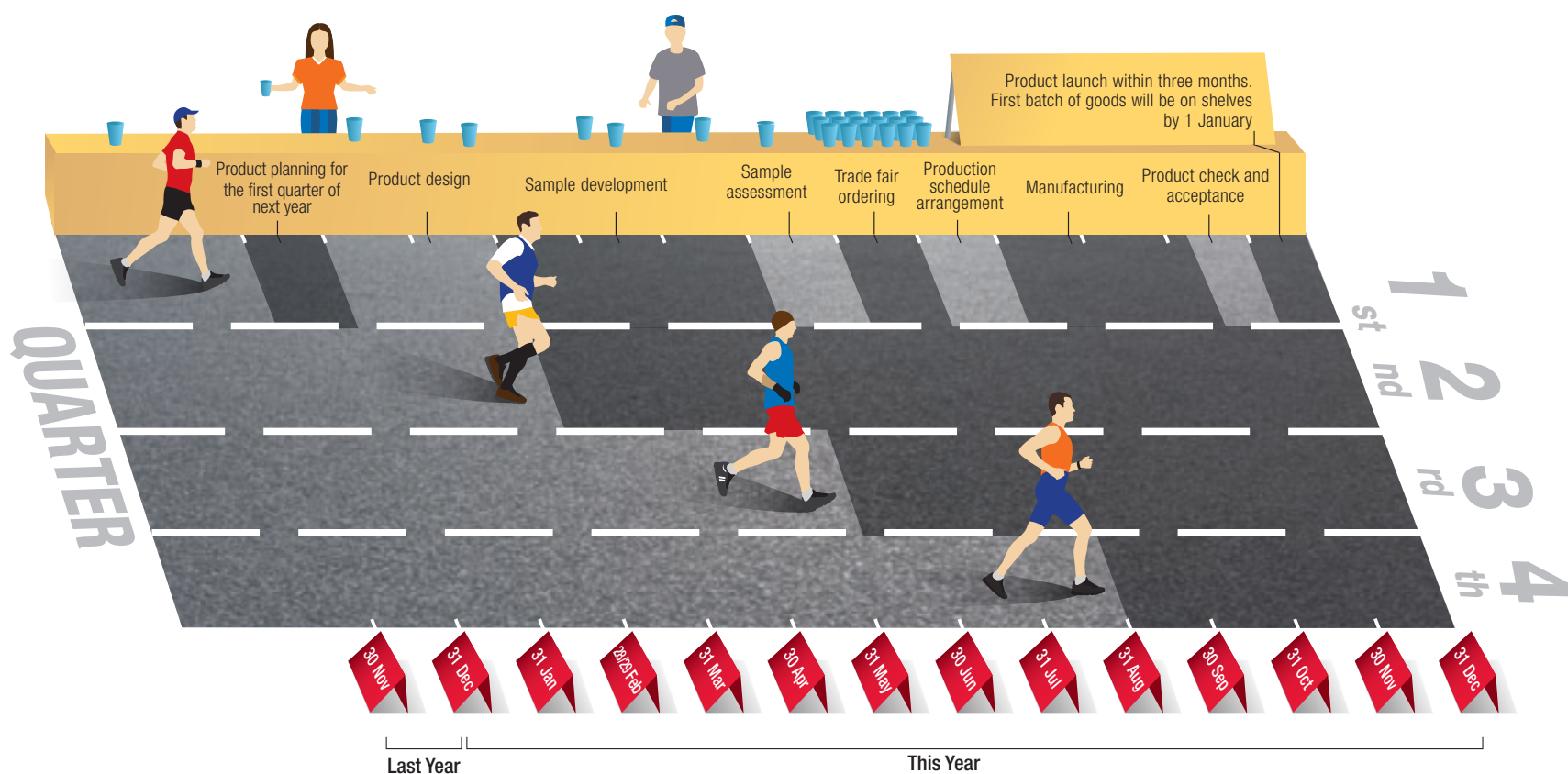
Supply Chain and Operational Management

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

Production Capabilities

Our strategic mix of in-house and outsourced production allows us to better respond to market conditions and changes in consumer preferences and to do so in an effective manner. In order to enhance our flexibility in replenishment and to maintain cost-leadership, we have further optimised our production efficiency. During the period, the respective proportions of self-produced footwear and apparel and procured footwear and apparel were 47.6% and 15.2%, respectively (2014 1H: 54.3% and 15.9%).

CYCLE OF PRODUCT DESIGN, PRODUCTION AND DELIVERY





FILA KIDS Launch Show



Opening Celebration of FILA Store in iSQUARE, Hong Kong

FILA BUSINESS IN THE PRC

FILA is a well-known global sportswear brand that targets the high-end market segment. Since acquiring the Fila business in the PRC in 2009, we have integrated our design talents, experienced retailers, supply chain partners and FILA's worldwide marketing resources to help us tap the promising potential in the high-end sportswear market. During the period, we put more efforts in opening FILA stores in cities exhibiting the most potential in order to drive sales and elevate our brand exposure in the PRC. In May, the largest FILA flagship store in Hong Kong was launched at iSQUARE, Tsim Sha Tsui. The new flagship store features the most eye-catching decoration, LED screens, stylish lightings and attractive product displays in one of the high-traffic locations in the city's core shopping and tourist district. As at 30 June 2015, there were 544 FILA stores operating in China, Hong Kong and Macao (end of 2014: 519).

In addition to optimising our store image, store efficiency and retail management, we are dedicated to enriching FILA's product portfolio and raising awareness of FILA in the PRC. During the period, we launched two sub-brands, FILA KIDS and FILA INTIMO, with the aim of tapping the promising children's clothing and men's underwear markets. Moreover, we cooperated with renowned American fashion designer Ginny Hilfiger to integrate her simple, trendy and elegant design style and FILA's "Modern Vintage" essence into the FILA Ginny Line. We also introduced the brand new FILA Red Line highlighting the latest athletic fashion trend and adopting high-tech fabrics such as Space Cotton, Poly Memory Span and Poly Span Icefil. The trendy brand image and stylish products of FILA are endorsed by FILA ambassador Shu Qi. Moreover, the latest designs for FILA's "Marina di Portofino"-themed 2015 Spring/Summer collection and the "Anna Sui for FILA" 2015 collection were showcased to our target consumers through our impressive advertising campaigns and extensive publicity on social media. More importantly, FILA is the Official Sports Uniform Sponsor of the Hong Kong, China Delegation, the Official Apparel Sponsor of the Hong Kong Table Tennis Association and the Official Sponsor of the 2015 World Ladies Championship (Golf), enabling the heritage and uniqueness of FILA products to capture the attention of yet more consumers at major international sporting events.



MANAGEMENT DISCUSSION AND ANALYSIS

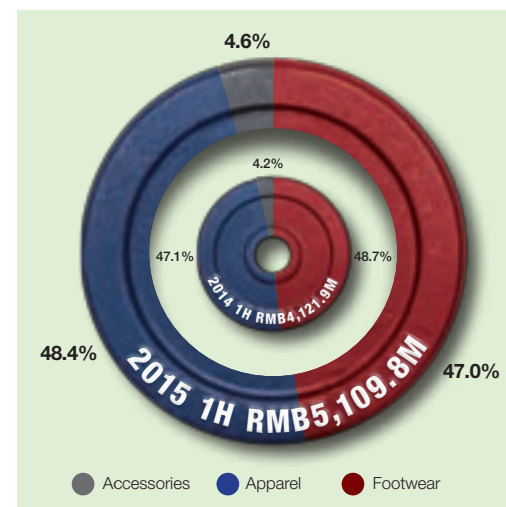
FINANCIAL REVIEW

Revenue Breakdown by Product Category

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

Six months ended 30 June					
	2015		2014		Changes
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)	(%)
Footwear	2,400.5	47.0	2,009.5	48.7	↑ 19.5
Apparel	2,471.5	48.4	1,939.4	47.1	↑ 27.4
Accessories	237.8	4.6	173.0	4.2	↑ 37.5
Overall	5,109.8	100.0	4,121.9	100.0	↑ 24.0

During the financial period, the Group's revenue increased by 24.0% which is higher than the growth rate of the order value of 2015 first half trade fairs for ANTA products as announced before because the growth of other businesses are relatively strong.



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					
	2015		2014		Changes
	Gross profit (RMB million)	Gross profit margin (%)	Gross profit (RMB million)	Gross profit margin (%)	(% point)
Footwear	1,099.5	45.8	944.6	47.0	↓ 1.2
Apparel	1,192.8	48.3	850.1	43.8	↑ 4.5
Accessories	89.7	37.7	65.3	37.7	–
Overall	2,382.0	46.6	1,860.0	45.1	↑ 1.5

Amid the successful retail-oriented strategy, the Group's overall gross profit margin for the financial period has improved as compared with the same period of 2014. As we strategically launched more value-for-money high-performance footwear products, offsetting by FILA's better retail discounts, the footwear gross profit margin has dropped slightly by 1.2% point. Due to fall of petrochemical prices and FILA's better retail discounts, the apparel gross profit margin has increased by 4.5% point.

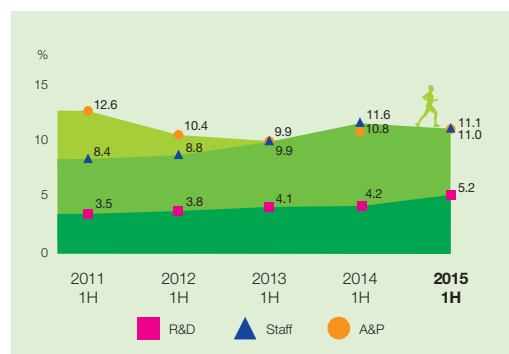
Other Net Income

Other net income for the financial period mainly represented government grants of RMB116.7 million (2014: RMB32.6 million).

Operating Expenses Ratios

The ratio of advertising and promotional expenses to revenue has increased by 0.2% point for the financial period due to increase in sponsorship activities. The ratio of staff costs to revenue has decreased by 0.5% point mainly contributed by operational efficiency. The ratio of R&D costs to cost of sales has increased by 1.0% point due to more R&D investments on functional products with advanced technologies.

Operating Expenses Ratios



Operating Profit Margin

Operating profit margin increased by 0.9% point which was less than the 1.5% point increase in the gross profit margin for the financial period, which was mainly due to the increase in advertising and sponsorship activities and the impact of provision for doubtful debts.

Net Finance Income

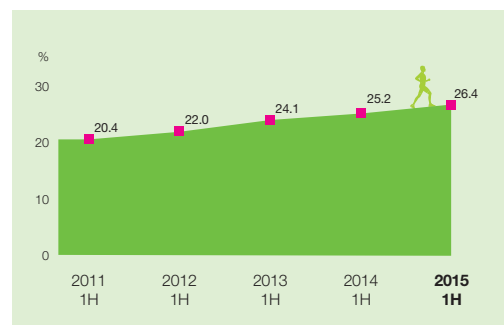
The decrease in interest income was in line with the decrease in fixed deposit interest rates during the financial period.

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

Effective Tax Rate

Effective tax rate increased from 25.2% for the first half of 2014 to 26.4%, mainly because certain subsidiaries achieved stronger business growth during the financial period and their profits are taxed at standard income tax rate.

Effective Tax Rate



Margin of Profit Attributable to Equity Shareholders

Margin of profit attributable to equity shareholders decreased by 0.6% point for the financial period which was due to the decrease in net finance income and the increase in effective tax rate.

Write-down of Inventories

For the financial period, the reversal of write-down of inventories amounting to RMB10.8 million credited to profit or loss (2014: RMB31.8 million). This reflects the Group has strived to clearing slow-moving inventories and the market responded positively on the selling prices in the first half of 2015.

Provision for Doubtful Debts

For the financial period, the provision for doubtful debts amounting to RMB9.7 million charged to profit or loss (2014: Reversal of provision for doubtful debts amounting to RMB28.0 million credited to profit or loss).

Dividends

The Board has recommended an interim dividend of HK30 cents per ordinary share in respect of the financial period, representing a payout of RMB606.3 million (2014: RMB496.8 million), or a distribution of 62.8% (2014: 61.9%) of the current period's profit attributable to equity shareholders.

Liquidity and Financial Resources

As at 30 June 2015, the cash and cash equivalents of the Group amounted to RMB4,453.1 million, representing a decrease of RMB480.6 million as compared with the cash and cash equivalents of RMB4,933.7 million as at 31 December 2014.

The net cash and cash equivalents (including fixed deposits held at banks with maturity over three months, pledged deposits and other current financial assets, minus bank loans) was RMB5,605.6 million as at 30 June 2015 (as at 31 December 2014: RMB5,430.8 million). This is mainly attributable to:

- Net cash inflows from operating activities amounted to RMB1,146.9 million, which was higher than the profit attributable to equity shareholders, representing effective cash generating process.
- Net cash outflows from investing activities amounted to RMB539.3 million, mainly including capital expenditures amounting to RMB194.4 million, net amount of placement of fixed deposits held at banks with maturity over three months of RMB525.0 million and net decrease in other financial assets amounting to RMB180.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

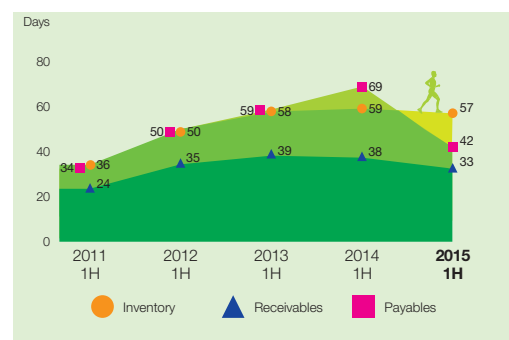
- Net cash outflows from financing activities amounted to RMB1,058.3 million, which mainly represented the payment of the final and special dividends in respect of the financial year 2014, dividend paid to non-controlling interests of a subsidiary, the net repayment of bank loans and the payment of interest expense of bank loans.

As at 30 June 2015, total assets of the Group were RMB11,361.8 million of which current assets were RMB9,231.2 million. Total liabilities and non-controlling interests were RMB3,329.7 million and total equity attributable to equity shareholders of the Company amounted to RMB8,032.1 million. The Group's gearing ratio was 9.1% as at 30 June 2015 (as at 31 December 2014: 11.8%), being a ratio of bank loans of RMB1,032.9 million (as at 31 December 2014: RMB1,348.3 million) to total assets. Such bank loans were denominated in Hong Kong dollar and Renminbi and repayable within one year.

Assets/Liabilities Turnover Ratios

The average inventory turnover days slightly decreased by 2 days. The average trade receivables turnover days decreased by 5 days. The average trade payables turnover days decreased by 27 days. This represents a better managed cash generating process and a healthy operating cash inflow for the financial period.

Assets/Liabilities Turnover Days



	2015 (RMB million)	2014 (RMB million)
Six months ended 30 June		
Operating cash inflow	1,146.9	983.0
Capital expenditures	(194.4)	(160.9)
Others	–	2.7
Free cash inflow	952.5	824.8
As at 30 June		
Cash and cash equivalents	4,453.1	4,401.3
Fixed deposits held at bank with maturity over three months	1,625.0	1,170.0
Pledged deposits	210.4	215.5
Other current financial assets	350.0	535.0
Bank loans	(1,032.9)	(1,023.2)
Net cash and cash equivalents as at 30 June	5,605.6	5,298.6

Pledge of Assets

As at 30 June 2015, the Group had bank deposits of RMB210.4 million (as at 31 December 2014: RMB210.4 million) pledged to secure bankers' documentary credits for certain contracts and construction projects.

Capital Commitments and Contingencies

As at 30 June 2015, the Group had capital commitments of RMB268.2 million, primarily relating to the expansion of facilities and the maintenance of information management systems.

As at 30 June 2015, 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

Our solid fundamentals, strong brand equity, high degree of product differentiation and effective retail-oriented measures make us capable of outperforming our peers and delivering sustainable growth and profitability amid the ongoing consolidation in China's sportswear industry. Seeing the growing demand for affordable sportswear with good functional features due to the Chinese government's support of the development of the sports industry and the popularisation of sports, we will leverage our core strengths to maintain our leading position in various markets and to tap the market potential in the long run.

Strengthening Our Brand with Effective Marketing Strategy

We always focus on effectiveness and the synergy between our diverse sports resources and our branding strategies. Our collaboration with five NBA stars and with NBA China will strengthen ANTA's professional brand image in China's basketball market and help enhance customer loyalty to ANTA. Members of our "Basketball is Priceless" team will visit China to stir up basketball craze. We will also launch more "ANTA-NBA" co-branded products along with a series of comprehensive marketing campaigns to cater for the tremendous demand from NBA fans and basketball lovers in China. In addition, we will encourage more people to engage in running and will promote our professional running gear featuring better functionality and quality by organising more "RUN WITH ME"-themed events across China.



Enhancing Product Differentiation through Continuous Innovation

We always make the best use of our R&D resources and regularly develop revolutionary new technologies to enhance our customers' athletic performance and to cater for their specific needs. We will continue to provide comfort and foot protection for adults and kids by upgrading our advanced technologies and incorporating them into our value-for-money footwear products. The newly-developed dual-layer support technology (A-Strata), with the cushioning and supportive foams in the soles, will be applied to our running shoes to offer greater stability and a more comfortable wearing experience for runners. Moreover, all forms of apparel technologies and high-quality advanced fabrics for different sports and weather conditions will be applied to our diverse ranges of apparel products. In addition, we will launch more eye-catching FILA collections and will be highlighted in our advertising campaigns featuring our brand ambassadors Shu Qi, and newly-signed "Captain America" Chris Evans, to showcase FILA's unique brand image and trendy lifestyle to high-end consumers.

Optimising Retail-oriented Measures to Stay Competitive

In order to maintain a sustainable distribution network, we will continue to implement retail-oriented measures to help our retailers maximise their profitability, enhance their store efficiency and manage their orders and in-store inventory. We will make further gains in market share by maintaining a solid presence in China's high-potential cities and rolling out the brand new seventh-generation store layout. We expect there to be total of between 7,200 to 7,300 ANTA stores, 1,400 to 1,500 Kids sportswear series stores and 550 to 600 FILA stores in the PRC by the end of 2015. In view of the rapid growth of online shopping, we will roll out more brand new online exclusive products on and foster our cooperation with popular e-commerce platforms, and will further cooperate with outstanding offline distributors to create synergy and to maximise mutual benefits between our web-based and brick-and-mortar stores.

Achieving Sustainability through the Optimisation of Operations

To maintain better control over our distributors and franchisees in different regions, we will establish a business management platform which enables us to monitor and enhance retail store operations more effectively with the support of comprehensive data collected and mined from our ERP system. We will also build an all-round human resources platform, refine our organisational structure and strategically recruit, nurture and retain talented people to strengthen our execution capability and to back up the long-term development of all our high-potential businesses. In addition, we will further optimise our supply chain and quality management systems to reinforce our suppliers' quality control levels, and will enhance overall production efficiency and cost effectiveness through technological innovations in manufacturing.

CORPORATE SOCIAL RESPONSIBILITY REPORT



Worked with WCBA to Organise All-Star Game-related Charity Event to Raise Social Awareness of Disabled Children

In January 2015, we partnered with the WCBA to organise a charity event in relation to the WCBA All-Star Game

in Nanjing. In order to raise social awareness of disabled children and promote sports development, for every three pointer or slam dunk scored in the WCBA All-Star Game, we donated RMB5,000 and RMB20,000 worth of sportswear, respectively. We eventually donated a total of RMB205,000 worth

of sportswear to the schools for the deaf and other schools in Nanjing in this charity event. We also invited WCBA All-Star players to participate in a basketball competition with deaf children to encourage them to stay active and positive.



Organised "Charity Hour, Athletes at Service" Program to Support Underprivileged Young People for Sports Development

During the period, we kicked off "Charity Hour, Athletes at Service" program, an innovative sports charity model which allowed close interaction between the

public and celebrity athletes so as to motivate more people to participate in sports. We also made donations to support national youth sports development through the program. The first two events of the program were held at ANTA stores in Chengdu and Xian. Chinese celebrity athletes became salespersons to provide passionate and

professional sales service to customers. We finally donated approximately RMB150,000 from sales proceeds during the event at ANTA store in Chengdu and RMB280,000 worth of sportswear to help promote sports development among underprivileged young people in Sichuan Province and Shaanxi Province, respectively.



Interaction with Children through "Sport-All for All" Charity Project

During the period, an event under the "Sport-All for All" charity project was held in Deyang, Sichuan Province to allow local children to realise the Olympic spirit and to experience the joyfulness of sports, as well as to stimulate active

participation in sports among children. The project included a charitable donation campaign and face-to-face interaction between Olympic champions and children. Renowned Chinese athletes not only shared stories detailing their personal growth with the students of Deyang Olympic Talent School, but also involved interactive games and wishing

Beijing success in its bid to host the 2022 Winter Olympics. Meanwhile, we donated RMB1 million worth of sportswear to the Deyang Municipal Sports Bureau through this charity project to further support sports development.



Sponsored Olympic Day Run for the Seventh Consecutive Year to Promote Running

In June 2015, we sponsored the Olympic Day Run for the seventh consecutive year, attracting more than 80,000 running enthusiasts from 11 cities including Beijing, Xiamen, Chengdu, etc. to

participate in the running activity. We also integrated Olympics Day Run with online marketing to promote our "RUN WITH ME" running concept. Through the hashtag of "# RUN WITH ME", renowned athletes shared their running stories online to inspire more people to make running a habit. Moreover, renowned ultra-marathon runner Chen Penbin

also interacted with runners who participated in the Olympic Day Run, while sharing the joyfulness of running and encouraging more people to be physically involved in running.



Co-organised "Olympic Training Program" to improve teaching standards of physical education teachers

In order to improve the teaching standards of physical education teachers in rural areas, we cooperated with the

COC and other reputable companies to organise the "Olympic Training Program" with the aim of providing better education to children in China. In April 2015, we invited more than 20 physical education teachers to participate in a one-week professional training program that included classes in exercise training,

the sociology of physical activity, sports medicine, etc. As a strategic partner of the COC, we are committed to promoting education-related charity events and to building an Olympic charity platform.

REVIEW REPORT OF THE AUDITORS



Review Report to the Board of Directors of

ANTA Sports Products Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 22 to 36 which comprises the condensed consolidated statement of financial position of ANTA Sports Products Limited as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and 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 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

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

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

5 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	2015 RMB'000	2014 RMB'000
Revenue	3	5,109,817	4,121,906
Cost of sales		(2,727,843)	(2,261,907)
Gross profit		2,381,974	1,859,999
Other net income		109,165	40,166
Selling and distribution expenses		(990,528)	(719,226)
Administrative expenses		(233,729)	(194,873)
Profit from operations		1,266,882	986,066
Net finance income	4	73,942	102,989
Profit before taxation	5	1,340,824	1,089,055
Taxation	6	(354,327)	(274,079)
PROFIT FOR THE PERIOD		986,497	814,976
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Mainland China		(29,883)	(434)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		956,614	814,542
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the Company		965,269	802,784
Non-controlling interests		21,228	12,192
PROFIT FOR THE PERIOD		986,497	814,976
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity shareholders of the Company		935,386	802,350
Non-controlling interests		21,228	12,192
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		956,614	814,542
Earnings per share	7	RMB cents	RMB cents
— Basic		38.65	32.17
— Diluted		38.57	32.10

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015 – unaudited
(Expressed in Renminbi)

	Note	30 June 2015 RMB'000	31 December 2014 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	8	900,625	924,987
Construction in progress	9	190,439	142,850
Lease prepayments	10(a)	192,742	163,498
Prepayments for acquisition of land use rights	10(b)	208,449	146,838
Intangible assets	11	476,375	489,323
Other financial assets		24,875	19,900
Deferred tax assets	18(b)	137,093	149,358
Total non-current assets		2,130,598	2,036,754
Current assets			
Inventories	12	859,671	867,182
Trade and other receivables	13	1,733,067	1,700,706
Other financial assets	14	350,000	535,000
Pledged deposits	14	210,366	210,366
Fixed deposits held at banks with maturity over three months	15	1,625,000	1,100,000
Cash and cash equivalents	15	4,453,135	4,933,742
Total current assets		9,231,239	9,346,996
Total assets		11,361,837	11,383,750
Current liabilities			
Bank loans	16	1,032,892	1,348,264
Trade and other payables	17	1,716,007	1,654,011
Amount due to a related party	21(b)	7,156	6,229
Current taxation	18(a)	193,647	176,189
Total current liabilities		2,949,702	3,184,693
Net current assets		6,281,537	6,162,303
Total assets less current liabilities		8,412,135	8,199,057

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

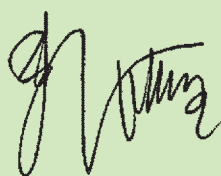
As at 30 June 2015 – unaudited
(Expressed in Renminbi)

	Note	30 June 2015 RMB'000	31 December 2014 RMB'000 (audited)
Non-current liabilities			
Long-term payable to non-controlling interests — unsecured and at amortised cost		37,699	36,328
Deferred tax liabilities	18(b)	134,194	158,149
Total non-current liabilities		171,893	194,477
Total liabilities		3,121,595	3,379,170
Net assets		8,240,242	8,004,580
Equity			
Share capital	19	242,349	242,238
Reserves	19	7,789,742	7,552,919
Total equity attributable to equity shareholders of the Company		8,032,091	7,795,157
Non-controlling interests		208,151	209,423
Total liabilities and equity		11,361,837	11,383,750

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, 5 August 2015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 – 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 2014		242,113	339,210	141,029	487,200	(316,535)	37,722	6,223,249	7,153,988	195,137	7,349,125
Changes in equity for the six months ended 30 June 2014:											
Profit for the period		-	-	-	-	-	-	802,784	802,784	12,192	814,976
Other comprehensive income for the period		-	-	-	-	(434)	-	-	(434)	-	(434)
Total comprehensive income for the period		-	-	-	-	(434)	-	802,784	802,350	12,192	814,542
Dividends approved in respect of the previous year		19(i)	-	-	-	-	-	(574,952)	(574,952)	-	(574,952)
Shares issued pursuant to share option schemes		19(a)	29	1,240	-	-	(67)	-	1,202	-	1,202
Appropriation to statutory reserve			-	-	41,881	-	-	(41,881)	-	-	-
Dividend to non-controlling interests of a subsidiary			-	-	-	-	-	-	-	(18,000)	(18,000)
Balances as at 30 June 2014		242,142	340,450	141,029	529,081	(316,969)	37,655	6,409,200	7,382,588	189,329	7,571,917
Balances as at 1 January 2015		242,238	345,732	141,029	575,328	(310,048)	37,208	6,763,670	7,795,157	209,423	8,004,580
Changes in equity for the six months ended 30 June 2015:											
Profit for the period		-	-	-	-	-	-	965,269	965,269	21,228	986,497
Other comprehensive income for the period		-	-	-	-	(29,883)	-	-	(29,883)	-	(29,883)
Total comprehensive income for the period		-	-	-	-	(29,883)	-	965,269	935,386	21,228	956,614
Dividends approved in respect of the previous year		19(i)	-	-	-	-	-	(711,450)	(711,450)	-	(711,450)
Shares issued pursuant to share option schemes		19(a)	111	16,110	-	-	(3,223)	-	12,998	-	12,998
Appropriation to statutory reserve			-	-	29,685	-	-	(29,685)	-	-	-
Dividend to non-controlling interests of a subsidiary			-	-	-	-	-	-	-	(22,500)	(22,500)
Balances as at 30 June 2015		242,349	361,842	141,029	605,013	(339,931)	33,985	6,987,804	8,032,091	208,151	8,240,242

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000
Operating activities:			
Cash generated from operations		1,360,006	1,119,176
Income tax paid		(348,559)	(257,693)
Interest received		135,466	121,521
Net cash generated from operating activities		1,146,913	983,004
Net cash used in investing activities (i)		(539,293)	(858,211)
Net cash used in financing activities (ii)		(1,058,344)	(67,251)
Net (decrease)/increase in cash and cash equivalents		(450,724)	57,542
Cash and cash equivalents as at 1 January		4,933,742	4,344,262
Effect of foreign exchange rate changes		(29,883)	(434)
Cash and cash equivalents as at 30 June	15	4,453,135	4,401,370

The accompanying notes form part of this interim financial report.

(i) 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 RMB2,320,000,000 (2014: RMB2,445,000,000) and RMB2,845,000,000 (2014: RMB3,120,000,000) respectively.

(ii) Net cash used in financing activities for the period includes the dividends paid to equity shareholders of the Company, which totalled RMB711,450,000 (2014: RMB574,952,000).

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, (“IAS 34”) issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 5 August 2015.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 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 2014 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 2014 annual financial statements.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company. It has also been reviewed by the Company’s auditors, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s Review Report to the Board of Directors is included on page 21.

2 CHANGES IN ACCOUNTING POLICIES

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

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

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE

Revenue by product category is analysed as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Footwear	2,400,476	2,009,535
Apparel	2,471,557	1,939,382
Accessories	237,784	172,989
	5,109,817	4,121,906

For the six months ended 30 June 2015, there was no customer with whom transactions have exceeded 10% of the Group's revenue (2014: Nil).

4 NET FINANCE INCOME

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Interest income	108,371	116,801
	108,371	116,801
Interest expenses on bank loans	(12,865)	(5,920)
Interest expense recognised on payable carried at amortised cost	(1,523)	(1,553)
Net foreign exchange losses	(20,041)	(6,339)
	(34,429)	(13,812)
Net finance income	73,942	102,989

5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Cost of inventories sold (i) (note 12(b))	2,738,595	2,293,677
Staff costs (i) & (ii)	569,239	477,174
Depreciation (i)	72,416	59,203
Amortisation		
— lease prepayments	2,423	2,212
— intangible assets	13,742	13,171
Provision/(reversal of provision) for doubtful debts	9,660	(27,965)
Subcontracting charges (i)	31,700	32,377
Operating lease charges in respect of properties	172,206	106,452
Research and development costs (i) & (ii)	141,239	95,428

(i) Cost of inventories sold includes subcontracting charges, staff costs, depreciation and research and development costs, total amounting to RMB447,436,000 (2014: RMB365,623,000).

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

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

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Current tax		
PRC Corporate Income Tax and Macao Complementary (Profit) Tax	314,137	237,563
Dividends withholding tax	51,880	–
Deferred tax (note 18(b))		
Dividends withholding tax	(51,880)	–
Origination and reversal of other temporary differences	40,190	36,516
	354,327	274,079

- (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 provisions for Hong Kong Profits Tax and Singapore Income Tax have been made as the Group does not have assessable profits subject to Hong Kong Profits Tax and Singapore Income Tax during the six months ended 30 June 2015 and 2014.
- (iii) In accordance with the relevant PRC corporate income tax laws, implementation regulations and guidance note, a subsidiary in the PRC is entitled to tax concessions whereby the profits of the subsidiary are taxed at a preferential income tax rate. Taxation of the Group's other subsidiaries in the PRC are calculated using the applicable income tax rates of 25%.
- (iv) According to the PRC Corporate Income Tax Law and its implementation regulations, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In addition, under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the PRC company. Deferred tax liabilities have been provided for based on the expected dividends to be distributed from these subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008.

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

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB965,269,000 (2014: RMB802,784,000) and the weighted average number of ordinary shares in issue during the period of 2,497,435,000 (2014: 2,495,576,000).

Weighted average number of ordinary shares

	2015	2014
	'000 shares	'000 shares
Issued ordinary shares as at 1 January	2,496,932	2,495,351
Effect of share options exercised	503	225
Weighted average number of ordinary shares as at 30 June	2,497,435	2,495,576

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue after adjusting for the potential dilutive effect caused by the share options granted under the share option schemes (see notes 19(g) and 19(h)) assuming they were exercised.

Weighted average number of ordinary shares (diluted)

	2015	2014
	'000 shares	'000 shares
Weighted average number of ordinary shares as at 30 June	2,497,435	2,495,576
Effect of deemed issue of shares under the Company's share option schemes	5,285	5,610
Weighted average number of ordinary shares (diluted) as at 30 June	2,502,720	2,501,186

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

8 PROPERTY, PLANT AND EQUIPMENT

	2015 RMB'000	2014 RMB'000
Net book value, as at 1 January	924,987	865,751
Additions	43,076	132,247
Transfer from construction in progress (note 9)	6,065	10,598
Disposals (net book value)	(1,087)	(2,955)
Depreciation charge for the period	(72,416)	(59,203)
Net book value, as at 30 June	900,625	946,438

9 CONSTRUCTION IN PROGRESS

	2015 RMB'000	2014 RMB'000
As at 1 January	142,850	69,296
Additions	53,654	42,467
Transfer to property, plant and equipment (note 8)	(6,065)	(10,598)
As at 30 June	190,439	101,165

10 LEASE PREPAYMENTS/PREPAYMENTS FOR ACQUISITION OF LAND USE RIGHTS

(a) Lease prepayments

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

(b) Prepayments for acquisition of land use rights

As at 30 June 2015, the Group made prepayments of RMB208,449,000 (31 December 2014: RMB146,838,000) for the acquisition of land use rights for certain properties held for own use under development in the PRC. The related land use right certificates were under application as at 30 June 2015.

11 INTANGIBLE ASSETS

	2015 RMB'000	2014 RMB'000
Net book value, as at 1 January	489,323	506,861
Additions	794	4,536
Amortisation for the period	(13,742)	(13,171)
Net book value, as at 30 June	476,375	498,226

12 INVENTORIES

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

	30 June 2015 RMB'000	31 December 2014 RMB'000
Raw materials	86,006	79,079
Work in progress	121,298	120,280
Finished goods	652,367	667,823
	859,671	867,182

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

	Six months ended 30 June 2015 RMB'000	2014 RMB'000
Carrying amount of inventories sold	2,738,595	2,293,677
Reversal of write-down of inventories	(10,752)	(31,770)
	2,727,843	2,261,907

13 TRADE AND OTHER RECEIVABLES

	30 June 2015 RMB'000	31 December 2014 RMB'000
Trade receivables	1,030,317	899,738
Less: Provision for doubtful debts	(33,755)	(24,095)
	996,562	875,643
Advance payments to suppliers	349,952	409,255
Deposits and other prepayments	249,517	222,687
VAT deductible	82,766	112,867
Interest receivables	46,507	73,602
Other receivables	7,763	6,652
	1,733,067	1,700,706

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

	30 June 2015 RMB'000	31 December 2014 RMB'000
Current	962,808	851,548
Less than 3 months past due	49,214	27,306
Past due over 3 months	18,295	20,884
	1,030,317	899,738

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

	2015 RMB'000	2014 RMB'000
As at 1 January	24,095	70,174
Provision/(reversal of provision) for doubtful debts recognised	9,660	(27,965)
As at 30 June	33,755	42,209

The Group normally grants a credit period of 30 to 90 days to its customers. Receivables that were current relate to customers for whom there was no recent history of default. As at 30 June 2015, the Group has assessed the recoverability of the receivables past due and established a provision of doubtful debts. The provision for doubtful debts is recorded using a provision account unless the Group is satisfied that recovery is remote, in which case the unrecovered loss is written off against trade receivables and the provision for doubtful debts directly. The Group does not hold any collateral over these balances.

14 OTHER CURRENT FINANCIAL ASSETS/ PLEDGED DEPOSITS

Other current financial assets represent unlisted available-for-sale investments.

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

15 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS HELD AT BANKS

	30 June 2015 RMB'000	31 December 2014 RMB'000
Deposits with banks within three months to maturity when placed	3,099,990	3,571,000
Cash at bank and in hand	1,353,145	1,362,742
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	4,453,135	4,933,742
Deposits with banks with more than three months to maturity when placed	1,625,000	1,100,000
	6,078,135	6,033,742

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

16 BANK LOANS

Bank loans were denominated in Hong Kong dollar and Renminbi, carried at amortised cost and repayable within one year.

17 TRADE AND OTHER PAYABLES

	30 June 2015 RMB'000	31 December 2014 RMB'000
Trade payables	695,884	581,836
Receipts in advance from customers	29,950	47,030
Construction costs payables	6,323	9,457
VAT and other taxes payables	98,750	69,081
Accruals	770,820	837,151
Other payables	114,280	109,456
	1,716,007	1,654,011

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 2015 RMB'000	31 December 2014 RMB'000
Within 3 months	671,921	541,579
3 months to 6 months	6,014	26,087
Over 6 months	17,949	14,170
	695,884	581,836

18 TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Current taxation in the condensed consolidated statement of financial position represents provisions for PRC Corporate Income Tax and Macao Complementary (Profit) Tax.

(b) Deferred tax assets and liabilities recognised:

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

Deferred tax arising from:	Dividends withholding tax RMB'000	Other deferred tax liabilities RMB'000	Other deferred tax assets RMB'000	Total RMB'000
As at 1 January 2014	154,016	4,530	(148,622)	9,924
Charged/(credited) to profit or loss (note 6)	27,825	(647)	9,338	36,516
As at 30 June 2014	181,841	3,883	(139,284)	46,440
As at 1 January 2015	147,109	11,040	(149,358)	8,791
Released upon distribution of dividends (note 6 (iv))	(51,880)	-	-	(51,880)
Charged/(credited) to profit or loss (note 6)	32,975	(5,050)	12,265	40,190
As at 30 June 2015	128,204	5,990	(137,093)	(2,899)

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

(c) Deferred tax assets not recognised:

As at 30 June 2015, certain subsidiaries of the Group have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB11,948,000 (31 December 2014: RMB8,228,000) of which RMB4,241,000 (31 December 2014: RMB4,107,000) 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 2015, temporary differences relating to the undistributed profits of certain subsidiaries of the Group in the PRC amounted to RMB4,093,183,000 (31 December 2014: RMB3,732,440,000). Deferred tax liabilities of RMB204,659,000 (31 December 2014: RMB186,622,000) 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 the PRC and the Directors have determined that these profits are not likely to be distributed in the foreseeable future.

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

During the period, pursuant to the Company's share option schemes (notes 19(g) and 19(h)), options were exercised to subscribe for 1,397,000 ordinary shares (2014: 360,000 shares) in the Company at a consideration of RMB12,998,000 (2014: RMB1,202,000) of which RMB111,000 (2014: RMB29,000) was credited to share capital and the balance of RMB12,887,000 (2014: RMB1,173,000) was credited to the share premium account. RMB3,223,000 (2014: RMB67,000) has been transferred from the share-based compensation reserve to the share premium account. No options were lapsed during the period (2014: Nil). As at 30 June 2015, the total number of shares which may be issued upon the exercise of all options outstanding from the Company's share option schemes is 15,508,000 (31 December 2014: 16,905,000).

(b) Share premium

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

(c) Capital reserve

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

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

19 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(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 financial statements of operations outside Mainland China.

(f) Share-based compensation reserve

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

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

(g) Pre-IPO share option scheme

Pursuant to the shareholders' written resolution passed on 11 June 2007, the Company adopted a Pre-IPO share option scheme.

Under the Pre-IPO share option scheme, 16,000,000 options were granted on 12 June 2007. A Director and 37 employees of the Group were given the rights to subscribe for shares of the Company at a consideration of HK\$1.00 for the grant of options. Each option granted under the Pre-IPO share option scheme has vesting periods of 1 year to 3 years commencing from the date of listing of the Company on the Main Board of the Hong Kong Stock Exchange ("Listing Date"). The Group has no legal or constructive obligation to repurchase or settle any of these options in cash.

(h) Share Option Scheme

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

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.

On 15 September 2010, 32,120,000 options were granted to a Director and certain employees of the Group pursuant to the Share Option Scheme. The options have vesting periods of 1.5 years to 3.5 years commencing from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in the Company and the Group has no legal or constructive obligation to repurchase or settle any of these options in cash.

19 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(i) Dividends

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

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Interim dividend declared after the interim period of HK30 cents per ordinary share (2014: HK25 cents per ordinary share)	606,335	496,809

The interim dividend has not been recognised as a liability as at 30 June 2015.

- (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	
	2015	2014
	RMB'000	RMB'000
Final dividend in respect of the year ended 31 December 2014, approved and paid during the period, of HK28 cents per ordinary share (2013: HK22 cents per ordinary share)	553,350	436,170
Special dividend in respect of the year ended 31 December 2014, approved and paid during the period, of HK8 cents per ordinary share (2013: HK7 cents per ordinary share)	158,100	138,782
	711,450	574,952

20 COMMITMENTS

(a) Operating leases

As at 30 June 2015, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	30 June 2015 RMB'000	31 December 2014 RMB'000
Within 1 year	132,073	106,099
After 1 year but within 5 years	106,021	91,876
	238,094	197,975

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

(b) Capital commitments

Capital commitments outstanding as at 30 June 2015 not provided for in the interim financial report were as follows:

	30 June 2015 RMB'000	31 December 2014 RMB'000
Contracted for	160,013	101,210
Authorised but not contracted for	108,156	177,537
	268,169	278,747

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

21 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Recurring transactions		
Purchases of raw materials		
– Quanzhou Anda Packaging Co., Ltd. ("Quanzhou Anda")	20,926	16,998
Service fee		
– Mr. Ding Shijia	6,786	6,919

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

(b) Balance with a related party

	30 June	31 December
	2015	2014
	RMB'000	RMB'000
Amount due to a related party		
Trade balance		
– Quanzhou Anda	7,156	6,229

The amount due to a related party 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 were as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Short-term employee benefits	5,861	5,846

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 have recommended an interim dividend. Further details are disclosed in note 19(i).

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 June 2015, the Directors and chief executives of the Company and their associates had the following interests in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

Interests in Shares and underlying Shares and associated corporations

Name of Directors	Company/Name of associated corporation	Capacity/Nature of interest	Number of Shares interested	Number of underlying Shares interested ⁽²⁾	Approximate percentage of interest in such corporation ⁽¹⁾
Mr. Ding Shizhong	Company	Founder of a discretionary trust	1,383,071,000 (L) ⁽³⁾	—	55.36%
	Anta International	Founder of a discretionary trust	4,144 (L) ⁽³⁾	—	41.44%
Mr. Ding Shijia	Company	Founder of a discretionary trust	1,374,625,000 (L) ⁽⁴⁾	—	55.02%
	Anta International	Founder of a discretionary trust	4,084 (L) ⁽⁴⁾	—	40.84%
Mr. Lai Shixian	Company	Interest of spouse	160,875,000 (L) ⁽⁵⁾	—	6.44%
	Company	Beneficial owner	—	5,250,000 (L)	0.21%
Mr. Wang Wenmo	Anta International	Founder of a discretionary trust	1,141 (L) ⁽⁶⁾	—	11.41%
Mr. Wu Yonghua	Anta International	Founder of a discretionary trust	601 (L) ⁽⁷⁾	—	6.01%
Mr. Zheng Jie	Company	Beneficial owner	300,000 (L)	—	0.01%
	Company	Beneficial owner	—	400,000 (L)	0.02%

(L) – Long Position

Notes:

- (1) As at 30 June 2015, the number of outstanding ordinary shares of the Company and of Anta International were 2,498,329,000 and 10,000 respectively.
- (2) The interests in underlying Shares represent the interests in share options granted pursuant to the Company's share option schemes, details of which are set out in the section entitled "Share Option Schemes" below.
- (3) 1,373,625,000 Shares were held through Anta International, an associated corporation, representing 54.98% of the issued share capital of the Company as at 30 June 2015, and 9,446,000 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) 1,373,625,000 Shares were held through Anta International, representing held 54.98% of the issued share capital of the Company as at 30 June 2015, and 1,000,000 Shares were held through Talent Trend Investment Limited ("Talent Trend") directly. Talent Trend is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International and therefore is deemed to be interested in all the Shares held by Anta International. The entire issued share capital of Talent Trend is held by Allwealth Assets Limited. The entire issued share capital of Allwealth Assets Limited is in turn held by HSBC Trustee acting as the trustee of the DSJ Family Trust. The DSJ Family Trust is an irrevocable discretionary trust set up by Mr. Ding Shijia as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DSJ Family Trust are family members of Mr. Ding Shijia. Mr. Ding Shijia as founder of the DSJ Family Trust is deemed to be interested in the Shares held by Anta International and Talent Trend and 4,084 shares of Anta International held by Talent Trend.
- (5) The interests of Mr. Lai Shixian in the Company are held through Anda Holdings, which holds 160,875,000 Shares, representing 6.44% of the issued share capital of the Company as at 30 June 2015. Spring Star Assets Limited holds the entire issued share capital of Anda Holdings, which is in turn held by HSBC Trustee acting as the trustee of the DYL Family Trust. The DYL Family Trust is an irrevocable discretionary trust set up by Mr. Lai Shixian's spouse, Ms. Ding Yali, as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the DYL Family Trust are issue of Ms. Ding Yali. Ms. Ding Yali as founder of the DYL Family Trust is deemed to be interested in the Shares held by Anda Holdings and Mr. Lai Shixian is also deemed under the SFO to be interested in the interests of his spouse, Ms. Ding Yali.
- (6) The interests of Mr. Wang Wenmo in Anta International are held through Fair Billion Development Limited, which holds 1,141 shares of Anta International, representing 11.41% of the issued share capital of Anta International as at 30 June 2015. The entire issued share capital of Fair Billion Development Limited is held by Asia Bridges Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WWM Family Trust. The WWM Family Trust is an irrevocable discretionary trust set up by Mr. Wang Wenmo as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WWM Family Trust are family members of Mr. Wang Wenmo. Mr. Wang Wenmo as founder of the WWM Family Trust is deemed to be interested in the 1,141 shares of Anta International held by Fair Billion Development Limited.
- (7) The interests of Mr. Wu Yonghua in Anta International are held through Spread Wah International Limited, which holds 601 shares of Anta International, representing 6.01% of the issued share capital of Anta International as at 30 June 2015. The entire issued share capital of Spread Wah International Limited is held by Albright Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust is an irrevocable discretionary trust set up by Mr. Wu Yonghua as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WYH Family Trust are family members of Mr. Wu Yonghua. Mr. Wu Yonghua as founder of the WYH Family Trust is deemed to be interested in the 601 shares of Anta International held by Spread Wah International Limited.

Save as disclosed above, as at 30 June 2015, 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.

Interests and short positions of substantial shareholders

As at 30 June 2015, the persons or corporations (not being a Director or chief executive of the Company) who had an interest or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Interests in Shares/underlying Shares

Name of shareholders	Capacity/Nature of interest	Number of Shares/underlying Shares interested	Approximate percentage of interest in the Company
HSBC Trustee	Trustee (other than a bare trustee) ⁽¹⁾	1,660,446,000 (L)	66.46%
Anta International	Beneficial owner	1,373,625,000 (L)	54.98%
Allwealth Assets Limited	Interest in controlled corporation ⁽¹⁾	1,374,625,000 (L)	55.02%
Shine Well	Interest in controlled corporation ⁽¹⁾	1,373,625,000 (L)	54.98%
	Beneficial owner ⁽¹⁾	9,446,000 (L)	0.38%
Talent Trend	Interest in controlled corporation ⁽¹⁾	1,373,625,000 (L)	54.98%
	Beneficial owner ⁽¹⁾	1,000,000 (L)	0.04%
Top Bright Assets Limited	Interest in controlled corporation ⁽¹⁾	1,383,071,000 (L)	55.36%
Anda Holdings	Beneficial owner	160,875,000 (L)	6.44%
Ms. Ding Yali	Founder of a discretionary trust ⁽²⁾	160,875,000 (L)	6.44%
	Interest of spouse ⁽³⁾	5,250,000 (L)	0.21%
Spring Star Assets Limited	Interest in controlled corporation ⁽²⁾	160,875,000 (L)	6.44%

(L) — Long Position

Notes:

- (1) The interests of HSBC Trustee in the Company are held through Anta International, Anda Holdings, Anda Investments, Shine Well and Talent Trend, representing approximately 54.98%, 6.44%, 4.62%, 0.38% and 0.04% of the issued share capital of the Company, respectively.

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 1,373,625,000 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 1,373,625,000 Shares held by Anta International. 9,446,000 Shares were held by Shine Well directly. Accordingly, HSBC Trustee and Top Bright Assets Limited were also deemed to be interested in the 9,446,000 Shares held by Shine Well. 1,000,000 Shares were held by Talent Trend directly. Accordingly, HSBC Trustee and Allwealth Assets Limited were also deemed to be interested in the 1,000,000 Shares held by Talent Trend.

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 160,875,000 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 115,500,000 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 160,875,000 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 160,875,000 Shares held by Spring Star Assets Limited.

- (3) *Ms. Ding Yali was deemed under the SFO to be interested in the 5,250,000 underlying Shares of her spouse, Mr. Lai Shixian, an Executive Director of the Company, which may be issued to Mr. Lai Shixian upon exercise of options granted to Mr. Lai Shixian under the Pre-IPO share option scheme, details of which are set out in the section entitled "Share Option Schemes" below.*

Save as disclosed above, as at 30 June 2015, 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.

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

Pursuant to the shareholders' written resolution passed on 11 June 2007, the Company adopted the Pre-IPO share option scheme. The purpose of the Pre-IPO share option scheme is to give the employees of the Group an opportunity to have a personal stake in the Company and help motivate employees to optimise their performance and efficiency, and also to retain employees whose contributions are important to the long-term growth and profitability of the Group.

Under the Pre-IPO share option scheme, 16,000,000 options were granted on 12 June 2007. No further options were granted under the Pre-IPO share option scheme on or after the Listing Date.

The Pre-IPO share option scheme shall be valid and effective for a period of 10 years from the adoption of the scheme on 11 June 2007.

The options outstanding under the Pre-IPO share option scheme during the six months ended 30 June 2015 were as follow:

Name or category of participant	Number of options					As at 30 June 2015	Exercise price per Share	Date of grant	Vesting period	Exercise period
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period					
Director										
Mr. Lai Shixian	1,575,000	–	–	–	–	1,575,000	HK\$4.224	12 June 2007	1 year from the Listing Date	10 July 2008 to 10 June 2017
	1,575,000	–	–	–	–	1,575,000	HK\$4.224	12 June 2007	2 years from the Listing Date	10 July 2009 to 10 June 2017
	2,100,000	–	–	–	–	2,100,000	HK\$4.224	12 June 2007	3 years from the Listing Date	10 July 2010 to 10 June 2017
	5,250,000	–	–	–	–	5,250,000				
Other employees (including ex-employees)										
In aggregate	210,000	–	(15,000) ⁽¹⁾	–	–	195,000	HK\$4.224	12 June 2007	1 year from the Listing Date	10 July 2008 to 10 June 2017
	272,000	–	(77,000) ⁽²⁾	–	–	195,000	HK\$4.224	12 June 2007	2 years from the Listing Date	10 July 2009 to 10 June 2017
	1,949,000	–	(423,000) ⁽³⁾	–	–	1,526,000	HK\$4.224	12 June 2007	3 years from the Listing Date	10 July 2010 to 10 June 2017
	2,431,000	–	(515,000)	–	–	1,916,000				
Total	7,681,000	–	(515,000)	–	–	7,166,000				

Notes:

(1) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$14.90.

(2) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$16.24.

(3) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$16.23.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Share Option Scheme

The Company has adopted the Share Option Scheme pursuant to the shareholders's written resolution passed on 11 June 2007. The purpose of the Share Option Scheme is to motivate eligible persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board, which must not be more than 10 years from the date of grant.

The Share Option Scheme shall be valid and effective for a period of 10 years from the adoption of the scheme on 11 June 2007.

The options outstanding under the Share Option Scheme during the six months ended 30 June 2015 were as follow:

Name or category of participant	Number of options					As at 30 June 2015	Exercise price per Share	Date of grant	Vesting period	Exercise period
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period					
Director										
Mr. Zheng Jie	400,000	–	–	–	–	400,000	HK\$16.20	15 September 2010	1.5 years from the date of grant	15 March 2012 to 14 September 2020
	400,000	–	–	–	–	400,000				
Other employees (including ex-employees)										
In aggregate	8,824,000	–	(882,000) ⁽¹⁾	–	–	7,942,000	HK\$16.20	15 September 2010	1.5 years from the date of grant	15 March 2012 to 14 September 2020
	8,824,000	–	(882,000)	–	–	7,942,000				
Total	9,224,000	–	(882,000)	–	–	8,342,000				

Notes:

(1) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$17.56.

Save as disclosed above, at no time during the financial period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company or chief executives or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisitions of shares or debentures of the Company or any other body corporate.

CORPORATE GOVERNANCE

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards by focusing on areas such as internal control, fair disclosure and accountability to all shareholders.

Saved as disclosed below, the Company complied with the code provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules (the “Code”) during the six months ended 30 June 2015. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

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

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries to all the Directors and all the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2015.

The Audit Committee is responsible for ensuring the establishment and compliance with the internal control system of the Company, the compliance with the applicable accounting principles and practices, any applicable laws and the listing rules of the stock exchange on which the shares of the Company are listed, and liaison among shareholders, management, certified independent auditors and internal auditors of the Group, etc. The Audit Committee meets regularly with the Company’s external auditors to discuss the audit process and accounting issues (and in the absence of management if appropriate). The terms of reference of the Audit Committee are in line with the code provisions of the Code. Members of the Audit Committee comprise Mr. Yeung Chi Tat (Chairman), Mr. Lu Hong Te and Mr. Dai Zhongchuan, all of whom are Independent Non-Executive Directors. The interim financial report of the Group for the six months ended 30 June 2015 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 2015.

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)

Board

The Board of Directors of the Company

BVI

The British Virgin Islands

China/PRC

People's Republic of China

COC

Chinese Olympic Committee

CPI

Consumer Price Index

CSD

Chinese Sports Delegation

ERP

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

Executive Directors

Executive directors of the Company

Fila Business in the PRC

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

Fila PRC Trademarks

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

FILA products

Sportswear products bearing the Fila PRC Trademarks

FILA store(s)

FILA retail store(s) that exclusively sells FILA products

GDP

Gross Domestic Product

Group

The Company and its subsidiaries

Hong Kong

The Hong Kong Special Administrative Region of the PRC

Hong Kong Dollars, HK\$

Hong Kong Dollars, the lawful currency of Hong Kong

Hong Kong Stock Exchange/ HKEX

The Stock Exchange of Hong Kong Limited

Independent Non-Executive Directors

Independent non-executive directors of the Company

IPO

Initial Public Offering

Kids sportswear series

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

Listing Rules

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

MSCI

Morgan Stanley Capital International Global Standard Index

NBA

National Basketball Association

ODM

Original Design Manufacturer

OEM

Original Equipment Manufacturer

Period

6 months ended 30 June 2015

POP

Point of purchase advertising

POS

ANTA stores' point of sales

PPI

Producer Price Index for manufactured goods

R&D

Research and development

RMB

Renminbi, the lawful currency of the PRC

Share(s)

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

Shareholders

Shareholders of the Company

TVC

Television Commercial

WCBA

Women's Chinese Basketball Association

INVESTORS INFORMATION

Share Information

Listing Day: 10 July 2007
Board lot size: 1,000 shares
Numbers of shares in outstanding: 2,498,329,000 shares
(As at 30 June 2015)

Stock Codes

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

Dividends

HK cents	2011	2012	2013	2014	2015
Interim dividend	26	23	19	25	30
Final dividend	26	17	22	28	
Special dividend	–	8	7	8	

Zhang Doudou,
Artistic Gymnastics Athlete

He Wenna,
Olympic Trampoline Champion

Corporate Profile

As one of the leading branded sportswear enterprises in China, ANTA Sports Products Limited primarily designs, develops, manufactures and markets ANTA sportswear, including sports footwear, apparel and accessories. We have established extensive distribution network with a leading presence in second and third tier cities in China under the management of regional distributors. We place great emphasis on branding by integrating sports resources and sponsorship, advertising and promotional activities and consistent store image to enhance brand and product differentiation. For the past 14 years, our footwear has been enjoying a leading position in China composed index on market share.

Important Dates

5 August 2015
Interim results announcement

20 August 2015 4:30 p.m.
Record date of 2015 interim dividend

On or about 2 September 2015
Payment date of 2015 interim dividend

31 December 2015
Financial year end date of 2015

Investor Relations Contacts

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

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



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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 interim financial report for the six months ended 30 June 2015.

DIVIDENDS

The Board has recommended the payment of an interim dividend of HK30 cents per ordinary share in respect of the six months ended 30 June 2015. The interim dividend will be payable on or about Wednesday, 2 September 2015 to shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Thursday, 20 August 2015. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar 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 Thursday, 20 August 2015 for registration.

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, 5 August 2015

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.