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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)

2017 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 2017. This announcement, containing the full text of the 2017 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 2017 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 in late August 2017.



ANTA
SPORTS
PRODUCTS
LIMITED

Incorporated in the Cayman Islands with limited liability

Stock Code: 2020



SHOCK GAME

INTERIM REPORT
2017



MISSION

To integrate the sports spirit of “going beyond oneself” into everyone’s daily life.

CORE VALUES

- Consumer-centric
- Devotion
 - Innovation and Pushing Ahead
 - Respect and Appreciation
 - Integrity and Gratitude

VISION

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

Klay Thompson
A shooting guard for the Golden State Warriors in the NBA



Inside front

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About ANTA Sports Products Limited



ANTA was established in 1994, while ANTA Sports Products Limited (Stock code: 2020.HK), a leading sportswear company in China, was listed on the Main Board of HKEX in 2007. For many years, we have been principally engaged in the design, development, manufacturing and marketing of ANTA sportswear series to provide the mass market with professional sporting products including footwear, apparel and accessories. In recent years, we have started moving full steam ahead on the strategy of “Single-focus, Multi-brand and Omni-channel” to deepen our footprint in the sportswear market in China. By embracing an all-round brand portfolio including ANTA, ANTA KIDS, FILA, FILA KIDS, DESCENTE, SPRANDI and NBA, and by seizing every opportunity arising in various important retail channels, we aim to unlock the potential of both the mass and high-end sportswear markets in China.

***ANTA’S TRAVEL AND SPORTS SHOES RANKED
THE FIRST IN TERMS OF MARKET SHARE IN
CHINA FOR 16TH CONSECUTIVE YEAR***



FINANCIAL OVERVIEW

Six months ended 30 June	2017 (RMB million)	2016 (RMB million)	Changes (%)
Revenue	7,323.2	6,142.7	↑ 19.2
Gross profit	3,703.7	2,941.2	↑ 25.9
Profit from operations	1,897.5	1,488.3	↑ 27.5
Profit attributable to equity shareholders	1,451.4	1,129.2	↑ 28.5
Free cash inflow	1,824.9	726.8	↑ 151.1
	(RMB cents)	(RMB cents)	(%)
Earnings per share			
– Basic	55.98	45.15	↑ 24.0
– Diluted	55.94	45.05	↑ 24.2
Shareholders' equity per share	494.00	356.09	↑ 38.7
	(HK cents)	(HK cents)	(%)
Interim dividend per share	41	34	↑ 20.6
	(%)	(%)	(% point)
Gross profit margin	50.6	47.9	↑ 2.7
Operating profit margin	25.9	24.2	↑ 1.7
Margin of profit attributable to equity shareholders	19.8	18.4	↑ 1.4
Effective tax rate	26.3	26.3	–
Advertising and promotional expenses ratio (as a percentage of revenue)	9.3	11.2	↓ 1.9
Staff costs ratio (as a percentage of revenue)	11.9	11.5	↑ 0.4
R&D costs ratio (as a percentage of cost of sales)	5.8	4.4	↑ 1.4

As at 30 June	2017 (%)	2016 (%)	Changes (% point)
Gearing ratio ⁽¹⁾	3.4	11.1	↓ 7.7
Return on average total shareholders' equity (annualised) ⁽²⁾	25.7	26.0	↓ 0.3
Return on average total assets (annualised) ⁽³⁾	18.5	17.8	↑ 0.7
Average total shareholders' equity to average total assets	71.9	68.6	↑ 3.3
	(in 181 days)	(in 182 days)	(days)
Average inventory turnover days ⁽⁴⁾	68	64	↑ 4
Average trade receivables turnover days ⁽⁵⁾	39	37	↑ 2
Average trade payables turnover days ⁽⁶⁾	49	45	↑ 4

Cautionary Statement Regarding Forward-Looking Statements

This Interim Report 2017 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 statements. Forward-looking statements speak only at the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events. Trends and factors that are expected to affect the Group's results of operations are described in the section "Management Discussion and Analysis".

Notes:

(1) Gearing ratio is equal to the sum of bank loans and bills payable divided by total assets at the end of the relevant period.

(2) Return on average total shareholders' equity is equal to the profit attributable to equity shareholders divided by the average balance of total shareholders' equity.

(3) Return on average total assets is equal to the profit attributable to 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.

RESULTS HIGHLIGHTS

FINANCIAL PERFORMANCE



Revenue increased by 19.2% to
RMB 7.32 billion



Gross profit margin
increased by 2.7% point to
50.6%



Profit attributable to equity
shareholders increased by 28.5% to
RMB 1.45 billion



Basic earnings per share
increased by 24.0% to
RMB 55.98 cents



66.3%
Payout of the profit attributable to
equity shareholders

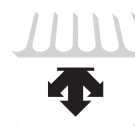
OPERATIONAL PERFORMANCE



Number of ANTA stores
(including ANTA KIDS standalone
stores) in China stood at
9,041



Number of FILA stores
(including FILA KIDS standalone
stores) in China, Hong Kong,
Macao and Singapore stood at
869



Number of DESCENTE
stores in China stood at
21

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	
Joint Company Secretaries	Lam Jim	Tse Kin Chung		
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
Risk Management Committee	Yeung Chi Tat (Chairman)		Dai Zhongchuan	Lai Shixian
Authorised representatives	Lai Shixian	Lam Jim		
Registered Office				
Cayman Islands Office	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands			
Principal Place of Business in Hong Kong				
Hong Kong Office	16/F, Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong			
Head offices in 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			
Registered Share registrars and transfer offices				
Cayman Islands Principal Registrar	SMP Partners (Cayman) Limited Royal Bank House – 3rd Floor, 24 Shedden Road, P.O. Box 1586, 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			
Risk management and internal control review adviser	KPMG Advisory (China) Limited			
Public relations consultant	Citigate Dewe Rogerson			
Principal bankers	Agricultural Bank of China Bank of China Limited Bank of China (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited			



Chen Penbin

a Chinese ultra-marathon
athlete



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 2017.

Successfully Transforming into an Internationally Competitive Listed Corporation

This year marks the 10th anniversary since ANTA Sports' listing. Throughout the past decade, sports industry has grown exponentially, having experienced an increase in consumption power, a transformation in retail channels and the rise of internet. Today, ANTA is a sportswear brand with a strong reputation across China, and we have successfully transformed ourselves from a traditional private company into an internationally competitive listed corporation with modern governance standards. Despite the intense competition within the Chinese sportswear market, our "Single-focus, Multi-brand and Omni-channel" strategy continues to deliver breakthroughs in terms of market share and profitability. During the period, as ANTA's business continued to grow, along with a strong sales performance seen across the Group's other brands, namely ANTA KIDS, FILA, FILA KIDS and DESCENTE, our revenue increased by 19.2% to RMB7.32 billion (2016 1H: RMB6.14 billion). Profit attributable to equity shareholders also rose by 28.5% to RMB1.45 billion (2016

1H: RMB1.13 billion), with basic earnings per share amounting to RMB55.98 cents (2016 1H: RMB45.15 cents). To allow our shareholders to benefit from the remarkable results of the Group, the Board declared an interim dividend of HK41 cents per ordinary share (2016 interim dividend: HK34 cents), representing a payout ratio of 66.3% of profit attributable to equity shareholders for the period (2016 1H: 65.5%)

Covering Mass and High-end Sub-markets with Our "Single-Focus, Multi-Brand and Omni-Channel" Operation Strategy

With a unique understanding of consumer trends and insights on China's constantly changing retail market, we have leveraged our "Single-focus, Multi-brand and Omni-channel" strategy and our brand portfolio, including ANTA, ANTA KIDS, FILA, FILA KIDS, and DESCENTE, to reach different consumer segments across the market. We have also covered mass and high-end markets, provided functional and fashionable casual sportswear, as well as catered for the differing and specific needs of consumers across different age groups, including adults and kids. Our "Omni-channel" strategy has been an unprecedented success. We strategically positioned ourselves and reached out to our target consumer base through the development of different retail channels, including street stores, shopping malls,

department stores, outlet stores and e-commerce, allowing room for sales to grow further. Meanwhile, our new logistics center is expected to commence operation in early 2018, which will enhance the Group's logistics capacity and delivery efficiency further. We will implement the "centralized distribution, direct store delivery" model to cater for the needs of ANTA's and ANTA KIDS's wholesale businesses as well as FILA's, FILA KIDS's and DESCENTE's retail businesses, allowing the Group to response to any sudden change in consumer preferences and demands.

Creating Innovative Products and Brands

Incorporating the "Keep Moving" spirit into our drive for innovation has been one of the cornerstones of our success. Our robust innovative capabilities continue to deliver a wide-range of differentiated products, and will consolidate our leading position in the Chinese sportswear market. During the period, we entered into a "Trademark/Copyright License Agreement" with the world renowned Chemours Company in relation to the Teflon EcoElite™ renewably-sourced water repellent, and launched the apparel products incorporating Teflon EcoElite™ non-fluoride liquid-proof materials (non PFCs) in our 2017 Spring/Summer Collection. In addition, we formed a strategic alliance with Noble Biomaterials

CHAIRMAN'S STATEMENT

to incorporate XT2® Technology, a best-in-class odor elimination solution, into ANTA's fitness, training and leisure products, as well as the products of the Group's other brands. We also introduced A-Livefoam technology to support the livefoam dynamic-net running shoes. This technology improved the level of comfort in the shoes as well as enhanced their breathability, which allows runners to exert much more power while maintaining stability, and provides even more protection for runners' ankles. Meanwhile, our product design team became even more internationalized. Aside from setting up a design center in Japan, we opened our "LAUNCH" design center in the US, where our international design team will add to our innovative capabilities.

We not only pursue product innovation, but we also adopt an innovative approach towards our branding activities. During the period, we celebrated the achievements of Klay Thompson, a sharpshooter for the Golden State Warriors who helped his team reclaim its championship title at the 2017 NBA Finals, and launched our month-long Shock The Game campaign in China for the basketball icon. Over 30 million people watched the campaign live stream video, while its Weibo posts attracted over 7.7 million readers. The campaign not only successfully connected online and offline channels together, but showcased ANTA's

success in creating compelling brand stories in relation to its basketball products, and successfully boosted sales and took the value of ANTA's brand to a new level. In addition, FILA reached another milestone in 2017 with the launch of the Blue series in China in January, which further expanded FILA's customer base. Elsewhere, partnering with Staple, an US fashion brand, and Jason Wu, the renown US designer, FILA launched the Staple X FILA product series and the new Jason Wu X FILA 2017 Spring/Summer collection respectively, delivering customers personalized products that embodies FILA's unique style.

Meanwhile, the famous Chinese actress Gao Yuanyuan continued to feature in advertisements for FILA's new products, which has established FILA's brand and its products as elegant and fashionable. Meanwhile, our high-end DESCENTE brand continued to expand its retail network with the launch of its "AWAKEN!" marketing campaign. Not only did it open consumers' eyes to DESCENTE as a brand, but also "awoke" and ignited their passion for sports and beauty. "AWAKEN!" reached into every part of the country and successfully raised awareness of the DESCENTE brand.

Enhancing Retail Management and Strengthening Distribution Channels

We continue to implement comprehensive retail-oriented measures and enhance

retail management to help our retailers stay competitive as well as improve their profitability. In addition to implementing a streamlined distribution structure, we conducted thorough real-time analyses of retail performance and inventory movements gathered from our ERP system to create the best retail management strategy according to the latest market trends and changes in consumer demands. In addition, our database has helped us provide more precise future order guidance to our retailers, which helped to improve their flexibility and efficiency, minimize inventory risks and increase profitability.

We continue to leverage the advantages of our omni-channel strategy and apply management approaches to different channels for different brands and their target consumers. Aside from consolidating ANTA's position in traditional retail channels such as street stores, we have increased our presence in shopping malls and department stores, which will enable us to adjust to changing consumption habits and shifting trend in foot traffic within the mass market. During the period, we launched our 8th generation ANTA stores which have created a completely different shopping experience to consumers and given their new decoration and fresh product display. As of 30 June 2017, the number of ANTA stores (including ANTA KIDS standalone stores) in China stood at 9,041 (end of 2016: 8,860). Elsewhere, FILA mainly sought to expand its

retail network across the high-end market in mainland China, and had 869 FILA stores in China, Hong Kong, Macao and Singapore (including FILA KIDS standalone stores) as of 30 June 2017 (end of 2016: 802). Meanwhile, DESCENTE expanded into high-end shopping malls in over 10 major cities in China following the opening of its first new store in August 2016. As of 30 June 2017, the number of DESCENTE stores in China increased to 21 from 6 at the end of 2016. Other than this, we strived to develop our e-commerce business by offering more exclusive products via our online platforms to meet the huge demands of online shoppers and to create synergy between our online and offline businesses.

Keep Moving and Flying High in the Next Decade

We believe our 10th listing anniversary is not only a celebration of the past 10 years, but a new starting point from which to take the next step forward towards new heights. With China's support for the development of the sports industry under the 13th Five-Year Plan, the Chinese sporting goods market will continue to expand. The scale of the market is expected to further expand to RMB7 trillion by 2025. Our long-term

goal is to establish the Group as a leader in the Chinese sportswear industry that surpasses international giants in terms of total market share in China. Meanwhile, the Group has a chance to leverage a number of opportunities, including those offered by the 2022 Winter Olympics in Beijing, government policies that encourage sports for all and make them more popular, increasing sports participation, public awareness of and engagement on health, and an increasing demand for personalized and differentiated sportswear products. With these opportunities in mind, we will continue to maintain our focus on the sportswear industry and fulfill consumers' demands by maintaining our core strategy – "Single-focus, Multi-brand, Omni-Channel" – to ensure comprehensive coverage of customers and channels, and to maintain our leading competitive edge. Meanwhile, we will introduce even more differentiated products to cater for consumers' needs and preferences, together with high profile and influential branding and marketing activities to gain greater market share in those sub-markets with potential, including the running, boxing, basketball, women's fitness, cross-training and skiing. We will also upgrade our stores further in line with the Group's transformation to provide a

better experience for our customers. In addition, we will ride on the opening of our new logistics center – due to be put into operation early next year – to enlarge our retail operation capacity in support of the Group's wholesale, retail, online and offline business operations in the long run.

On behalf of the Board, I would like to extend my gratitude to all our shareholders for their continuous support, and I would also like to express my sincere thanks to all employees for their dedication and contribution towards the Group. Going forward, we will endeavor to grow sustainably with our supply chain partners, brand partners, distributors and franchisees, ultimately creating even greater value for our shareholders.



Ding Shizhong
Chairman

Hong Kong, 15 August 2017



Zhang Li
a renowned Chinese
female celebrity

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

China's Economy Remained Resilient and Robust Despite Global Uncertainties

In the first half of 2017, China's year-on-year economic growth remained steady despite global economic uncertainties and challenges. According to the National Bureau of Statistics of China, China's GDP growth rate was 6.9% in the first half of 2017, which exceeded market expectations of 6.5%, the Chinese economy remained robust as policymakers continued to curb excessive capacities and speculative borrowings. In the first half of 2017, retail sales, investment and industrial output figures, for example, all exceeded the market's expectations.

On the other hand, China's CPI grew 1.4% in the first half of 2017, suggesting that China is currently going through a mild inflationary phase. Growth was relatively low mainly because of the drop in food prices, but statistics showed that China's social consumer retail sales grew 10.4% in the first half of 2017, beating the market's prediction of 10.3%. The apparel industry in particular saw strong demand. Through its recent "Mass Entrepreneurship and Innovation" program, the Chinese government has strived to create a new engine for Chinese economic growth that relies on private enterprises and innovations to generate sustainable, long-term growth.

Leveraging the All-round Brand Portfolio to Increase Market Share across Different Segments

We continue to anticipate expansion in the already sizeable Chinese sports market due to changing consumer profiles and a surge in

demand. According a report by The Economist, entitled "China gets its game on: The emerging power of China's sports and fitness industry", the combined size of the Chinese sports and fitness market in 2016 was approximately RMB 1.5 trillion, of which almost 70% comes from the consumption of sporting goods and equipment. Chinese consumer segmentation varies from city to city, as well as in terms of demographics, distribution channels and spending power. We will therefore continue to leverage our "Single-focus, Multi-brand and Omni-channel" strategy to penetrate different market segments in China.

With the growing appetite for "athleisure" fashion and a stronger demand for "functional", "differentiated" and "premium" sportswear products, sportswear brands need to be nimble in response to market demand, which makes it necessary to speed up the production lead times from the R&D stage to design, and from production to distribution in order to keep up with consumer demands. In light of these challenges, we are building a highly efficient supply chain, with a new logistics center that is set to commence operations in early 2018, which will further reduce lead times and increase responsiveness to consumer needs. Meanwhile, we cooperated with renowned worldwide chemical companies to launch differentiated and functional products with better product competitiveness.

During the period, our revenue and profit attributable to equity shareholders hit a record high. ANTA not only once again ranked number one in terms of market share in the Chinese travel and sports shoes segment, as it has done for 16 consecutive years, but was also named one of The World's Top 50 Most Valuable Apparel Brands in 2017 by Brand Finance and was listed as one of the Top 100 Most Valuable Chinese Brands 2017 by BrandZ, as testament to the outstanding brand equity and the popularity of ANTA products. It was also pleased to see



that Klay Thompson, an ANTA endorser and sharpshooter for the Golden State Warriors, put in a remarkable performance to help his team reclaim its championship title at the 2017 NBA Finals. His performance promoted ANTA to run a series of successful marketing campaigns in China, such as the Shock The Game Campaign, to further enhance the reputation of ANTA and stimulate sales. Moreover, ANTA KIDS, FILA, FILA KIDS and DESCENTE all made satisfactory progress, demonstrating the success of our "Single-focus, Multi-brand and Omni-channel" strategy in capturing important opportunities in both the mass and high-end markets.

Who We Are?

ANTA Sports Products Limited is a multi-brand company singly focusing on sportswear products

What Are Our Target Markets?

HIGH-END MARKET



DESCENTE

High-performance sportswear products for skiing, cross-training and running products



FILA

Fashion sportswear products



FILA KIDS

Kid's fashion sportswear products

MASS MARKET



ANTA

Functional sportswear products for running, cross-training, basketball and soccer



ANTA KIDS

Kid's sportswear products



NBA

Functional and causal basketball sportswear products



SPRANDI

Leisure footwear

What Retail Channels Do We Cover?



Online Stores



Street Stores

What Do We Do?

SUPPLY CHAIN MANAGEMENT



In-house / Outsourced Production



Raw Material Procurement / Fabric Sourcing

BRAND MANAGEMENT



Sponsorship / Endorsement



Advertising / Marketing



Store Image / Product Display

PRODUCT MANAGEMENT



R&D / Innovation



Design



Quality Control

DISTRIBUTION NETWORK MANAGEMENT



Distributorship / Retail



Monitoring of Store Operations via ERP System



E-commerce



Logistics



Big Data / Retail Analytics



Consumer Experience



Shop-in-shop (Shopping Malls and Department Stores)



Outlet Stores

BUSINESS REVIEW

1. The Continuous Success of the Single-Focus, Multi-Brand and Omni-Channel Operation Model

This year marks the tenth anniversary since we were listed on the Main Board of HKEX in Hong Kong in July 2007. Over the past 10 years as a listed company, our stock price and revenue both increased by over 300%; while our market capitalization grew over five times to over HKD 60 billion as of 30 June 2017, with an average annual dividend payout ratio of over 60%.

During the period, we have sought to enhance our competitiveness, especially in terms of our ability to penetrate China's complex consumer segments. With the implementation of our "Single-focus, Multi-brand and Omni-channel" strategy, together with our existing distribution network, including street stores, shopping malls, department stores, outlet stores and e-commerce channels, we delivered another set of outstanding operational results. In response to changing consumer shopping behaviors, we will designate e-commerce platforms and shop-in-shop as the major sales channels for sportswear products to help deliver strong sales growth in the future.

ANTA is a functional sportswear brand, which alongside ANTA KIDS, specializes in

the mass adults' and children's sportswear market. FILA is a high-end fashion sportswear brand, while FILA KIDS provides high-end kidswear. DESCENTE is a high-performance sportswear brand that focuses on the high-end market. In addition, there is a perfect synergy within our brand portfolio. Our brand not only complement each other, but they are also capable of meeting different needs of the market and providing a range of differentiated products that target specific groups of consumers.

2. Brand Management

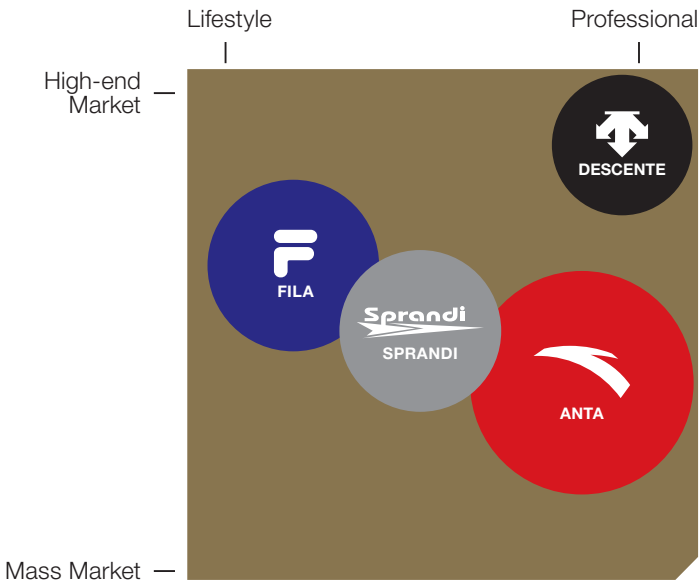
2.1 ANTA

As an industry-leading brand in China, ANTA produces affordable and value-for-money functional products across a diverse

Unique Business Model - Full Coverage of Consumers and Retail Channels through Multiple Brands

Full Coverage

Catering to consumers' demands for sportswear from different income groups through multiple brands



Omni-channel

- ANTA stores are mainly street stores but with increasing retail network presence in shopping malls and department stores
- FILA and DESCENTE stores are mainly located in high-end shopping malls and department stores
- Leveraging online and offline retail channels to boost sales for all brands



range of sports categories, from popular sports such as running, cross-training, basketball and football to professional and niche sports, such as boxing. ANTA enables professional athletes, sports enthusiasts and individuals to enjoy sporting activities with the right equipment. Driven by its consumer-centric strategy, and its pursuit of product innovation and superior consumer experiences, ANTA is a unique brand that caters specifically for mass market consumers in China. ANTA was one of the World's Top 50 Most Valuable Apparel Brands, the only Chinese sportswear brand to be named and ranked 35th on the list, and was one of the Top 100 Most Valuable Chinese Brands by Brand Finance in 2017. ANTA was also ranked as one of BrandZ's Top 100 Most Valuable Chinese Brands, as well as included on Interbrand's list of Best



China Brands 2017, proofing the appeal of its brand. These awards evidenced the remarkable results achieved by ANTA during the first half of 2017.

Moreover, we have sponsored 24 Chinese national teams within the five major sporting management centers, including water sports, winter sports, boxing and taekwondo, gymnastics and weightlifting, wrestling and judo. During competition and training, all members of these national teams were well-equipped with our professional sporting gears. These not only enhanced the credibility of our products but also further strengthened our brand image of representing China's sporting essence.

With the aim of becoming the number one basketball brand in terms of sales and brand value in China, ANTA has worked in partnership with 2017 NBA Championship player, Klay Thompson, to develop the highly functional and well-designed KT2 shoes

ahead of the NBA Playoffs and launched the "God Thompson Mode" marketing campaign in China during the 2017 NBA Playoffs and NBA Finals to rally support among Chinese fans for their favorite basketball icon. Moreover, ANTA enjoyed unprecedented global exposure to million of basketball fans as Klay Thompson wore the signature KT2 shoes during the 2017 NBA Finals, one of the most important games in the sporting calendar.

During Klay Thompson's latest China tour, ANTA went beyond conventional marketing activities to launch the Shock The Game campaign across 8 cities in China, which fully utilized both online and offline channels to create brand awareness and deliver sales growth. Shock The Game's related posts garnered over 77 million views on Sina Weibo and attracted live audiences over 30 million globally via video streams, which reinforced ANTA's leading brand position. The campaign was a clear effort to connect with consumers and give



MANAGEMENT DISCUSSION AND ANALYSIS



them clear and compelling reasons to buy ANTA's products.

From their launch in 2015 to 4th quarter of 2017 trade fair, ANTA has sold 1.42 million pairs of KT series shoes, making it the fastest growing series among all NBA player-endorsed products for the ANTA brand. In addition to the original KT1, special edition KT models were introduced in tandem with the 2017 NBA Playoffs and NBA Finals, and became instant hits. ANTA also further cemented its partnership with Klay Thompson by extending the contract terms, meaning that ANTA will be with Klay Thompson every step of the way as he continues his extraordinary journey to become one of the NBA's greatest icons.

We want our customers to enjoy extraordinary experiences across all sporting activities, whether that be running, cross training or others. We also want to deepen our relationship with consumers. During the period, ANTA launched its innovative "Run For A Life" campaign in several cities including Jinan and Taiyuan, which not only showcased ANTA's newly A-Livefoam technology running shoes, but also challenged people to go beyond their limits and live up to their full potential. In March, ANTA launched ANTAUNI, which empowers consumers to fully customize their shoes. This amounts to a new chapter in our effort to tailor-make consumer experiences and apply big data to support online and offline sales.

In June, ANTA named female actress, Zhang Li, to feature in its women's cross-training promotional campaign "Freshness", which is an initiative to seize growing opportunities. Manny Pacquiao – the legendary Filipino boxing champion who was the first and only professional boxer to win world boxing titles in eight different weight categories – also became an ANTA brand endorser since 2016. Both of them strengthened the brand identity of ANTA's cross-training series.

2.2 ANTA KIDS

ANTA KIDS has tapped into this high growth kids sportswear market in China since 2008





by producing sportswear products for children with an age of 0 to 14. Following the introduction of the two-child policy by the Chinese government, it is widely expected that growth in children's apparel market will accelerate. Although the market is currently fragmented, ANTA KIDS was the first domestic sportswear brand to enter into the market and enjoys a distinct early entry advantage. The brand has successfully enhanced the desirability of its products among consumers and has maintained its market share by providing value-for-money products. ANTA KIDS is therefore well-positioned to take advantage of the growing opportunities in this market.

Apart from running, basketball, outdoor, cross-training and lifestyle series, ANTA KIDS has also included soccer series in response to the government's strong support to the development in youth soccer. ANTA KIDS provided soccer apparels and soccer shoes, which have been priced as low as RMB79. During the period, ANTA KIDS also launched a series

of crossover collection products, including renowned characters Minions and Hello Kitty etc., which received overwhelming responses from the customers.

ANTA KIDS has chosen "Grow Up with Fun" as its slogan, which reflects the desire for children to enjoy sports and to grow up healthily and happily, and to establish its sporty, energetic, interesting and inspiring brand image. In addition, ANTA KIDS also launched crossover collection featuring characters from the Despicable Me movie series soccer shoes, and the ANTA KIDS KT2 basketball shoes.

ANTA KIDS has utilized website and popular social media platforms to promote the quality of products and nurture children's passion for sports through a series of promotional campaigns. During the period, ANTA KIDS launched a series of marketing campaigns across China, which utilized our comprehensive and unique sports resources, such as launching its Sports Day and Growth College campaigns. This not only enhances the attractiveness of ANTA KIDS among parents and children, but also cultivates sports habits of children. More importantly, ANTA's brand ambassador, Zheng Zhi, the current captain of China's national soccer team, has become an idol among Chinese children. Zheng Zhi has played a key role in strengthening the reputation and credibility of the ANTA KIDS soccer series by attending a number of marketing events which have attracted many young fans.

ANTA KIDS products not only empower children aged 0 to 14 to enjoy growing up healthily and happily, but also attract strong

brand loyalty since its products resonate well with the target customers. Based on its sustainable growth targets and continued engagement with the consumers, we see tremendous opportunities in the future development and potential of the brand.

2.3 FILA and FILA KIDS

After acquiring the FILA business in the PRC in 2009, we have repositioned FILA as a high-end sports fashion brand. GaoYuanyuan, a renowned Chinese female celebrity, was featured in FILA advertising campaigns in the PRC. This together with cross-border collaborations has strengthened brand recognition in China, and boosted the sales growth during the period.

FILA not only provides a series of high-end and stylish sportswear products, but



MANAGEMENT DISCUSSION AND ANALYSIS

it has also launched men's underwear, FILA Intimo, FILA Red, and FILA Blue series. On the other hand, FILA also launched the Originale series and other functional sporting products. During the period, FILA also introduced the FILA ULTRA FIT EARTHDAY special edition series to promote environmental protection and sustainable development. FILA also unveiled the FILA High-intensity Interval Training (HIIT) training shoes. FILA's crossover series includes FILA Ginny collection, designed by renowned American fashion designer, Ginny Hilfiger, which integrates the designer's simple,



trendy yet elegant design style with FILA's "Modern Vintage" essence. Since the end of 2015, we have started to cooperate with New York-based Chinese American fashion designer, Jason Wu, to develop the Jason Wu X FILA cross-over series, gaining acclaim from consumers. FILA also partnered up with an US fashion brand Staple to launch Staple X FILA product series.

While FILA stores are mainly located in first and second tier cities in China, the brand continues to open stores in cities with potential across China and within the region to enhance the store efficiency. During the period, FILA has expanded its retail network to Singapore and opened first store at the ION ORCHARD shopping mall.

Since its launch in China in 2015, which aims to provide high-end apparel and footwear for the children aged 7 to 12, the

FILA KIDS collection has gained attraction among consumers and has continued to grow, inheriting the elegant and unique style of the FILA brand. We expect FILA KIDS to continue its growth trajectory and to make a meaningful contribution to the FILA brand's overall sales.

To bolster FILA's business growth, we believe the most effective way is to expand its consumer base. As part of its brand differentiation strategy, FILA has launched several initiatives, including the omni-touchpoint marketing campaign, opening trendy stores that appeal to younger consumers, crossover branding collaborations, sponsoring popular celebrity reality shows as well as developing membership system. All the above significantly increased the reputation of the FILA brand throughout China.

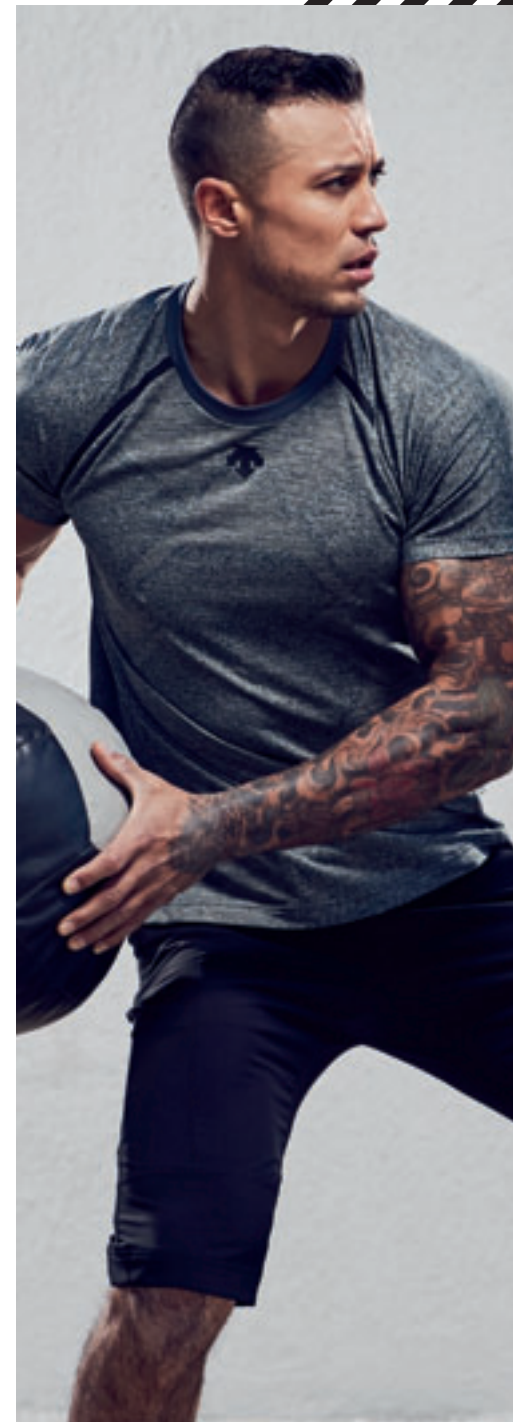


In addition, FILA has attracted positive reviews and media attention through its sponsorship of the Hong Kong Olympic team and the Hong Kong Table Tennis Association. These partnerships have created opportunities for FILA to showcase its traditional and unique style at major international sporting events.

2.4 DESCENTE

Since 2016, we have formed a joint venture to operate and engage in the business of design, sale and distribution of all categories of products bearing the “DESCENTE” trademark in China exclusively. DESCENTE provides high-end sportswear products related to skiing, cross-training and running etc..

Capitalizing on its specialty winter and outdoor sportswear, DESCENTE has quickly established its brand position as a premium and professional sports brand in China. Leveraging its 80-year brand heritage, DESCENTE targets customers who seek functional products with good designs. It has been active in expanding its retail footprint in high-end segments of the Chinese sportswear market, becoming the brand of choice for skiing, training and running enthusiasts. It now plays a crucial role in our multi-brand strategy. Following the first DESCENTE store opening in August 2016, DESCENTE has established presence in Beijing, Shanghai, Dalian, Shenyang and other cities across China during the period.



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During the period, DESCENTE launched its “Awaken!” campaign at a brand show with the aim of raising awareness of the brand among its target audiences in China. As part of the “Awaken!” campaign, DESCENTE launched the BLAZE Z series running shoes, which utilize advanced technology to reduce the weight of the shoes so as to ensure a relaxed running experience for runners. The brand also launched its DESCENTE premium running apparel that incorporates modern design and Italian lining, which helps runners feel the rhythm and joy of running.

In addition, DESCENTE launched the membership system to build brand loyalty and facilitate interaction with consumers. Moreover, DESCENTE ran a promotion campaign for its limited edition products in its Tmall flagship store in June which established the brand’s presence in the e-commerce platform.

Winter sports in China is on track for major boost as the country prepares to host the Winter Olympics in Beijing in 2022. The Chinese government has pledged to promote winter sports and has planned to increase the number of winter sports participants to 300 million in the future. With the first-mover advantage on meeting the needs of the fast-growing but niche winter sports market, we are confident that DESCENTE will become one of the most successful sportswear brands in China ahead of the 2022 Beijing Winter Olympics.

3. Distribution Network Management

3.1 Omni-channel management

With a retail-oriented strategy, we have successfully improved our retailers’ competitiveness, store efficiency and responsiveness to the ever-changing market.

We also have continually conducted studies on our target customers to find out their specific demands for an improved shopping experience such as a comfortable shopping environment within our stores. Therefore, we have optimized our retail management capability while enhancing our retail channels in China, including street

stores, shopping malls, department stores, outlet stores and e-commerce platforms in China.

We organize quarterly trade fairs to launch and sell new season’s collections of products of ANTA and ANTA KIDS. These trade fairs occur approximately six months ahead of the introduction of a new season’s products to the market to allow smooth order placement and product manufacturing. During the period ANTA introduced over 650, 1,500 and 500 new styles to our footwear, apparel, and accessories portfolios respectively. In order to offer professional sportswear products featuring value-for-money, we have established a nationwide distribution network for ANTA, creating





a competitive advantage in second-and-third-tier cities. Most ANTA stores are operated in a street store format, but we are also actively expanding our presence in large shopping malls and department stores. During the period, we also continued to streamline and upgrade our retail management, introducing ANTA's 8th generation stores which delivered the latest customization service and improved shopping experience for consumers. At the 8th generation stores, our products are displayed to offer maximum efficiency and appeal to shoppers so they can find suitable products easily and comfortably. We designed each

store with a theme embodied in the central display area and each layout has its unique, attractive characteristics.

On the other hand, the children's sportswear market has experienced rapid growth in the past few years and the momentum is expected to remain strong, supported by the implementation of the two-child policy. In view of the promising opportunities in this market, ANTA KIDS sportswear series with the value-for-money and comfortable products successfully targets children aged 0 to 14 in the mass market. ANTA KIDS stores also focus on second-and-third-

tier cities. While the mass market is expected to grow rapidly, the potential of the high-end market should not be overlooked. High-end consumers tend to pay attention to details and prefer personalized products. FILA and DESCENTE have created a platform to capture the high-end fashionable and professional sportswear market respectively. With the view of targeting the high-end children's market, FILA launched FILA KIDS, targeting at high-end children. FILA KIDS continues to gain awareness in high-end market through incorporating the unique elegance style of the FILA brand into FILA KIDS products. DESCENTE,



FILA and FILA KIDS stores are mainly located in the shopping malls and department stores of the first and second-tier cities.

We believe that the sustainability of our distribution network and the quality of the stores including the location, size, efficiency and interior decoration are more important than the actual number of stores. Hence, we closed our smaller, less efficient stores and opened larger, more attractive stores in prime locations to improve the overall efficiency of our stores. As at 30 June 2017, the total number of ANTA stores in China (including ANTA KIDS standalone stores) was 9,041 (end of 2016: 8,860). FILA (including FILA KIDS standalone stores) had a total of 869

stores in China, Hong Kong, Macao and Singapore (end of 2016: 802) and DESCENTE had a total of 21 stores in China (end of 2016: 6).

3.2 Improving Retail Management Capability

With a consumer-centric and retail-oriented strategy, we have successfully improved our retailers' competitiveness, store efficiency and responsiveness to the ever-changing market. During the period, we continued to work closely with our retailers to optimize our retail management capability.

First, we established a retail-oriented mindset and appraisal system. We believe the most effective approach

to retail channel management is to consider ourselves a retail company. Hence, we emphasized retail efficiency in our corporate culture and values, and established a consumer-oriented retail management appraisal system to measure our performance according to retail operating data.

Second, our retail data and market information are shared with our suppliers and retailers. Effective communication contributes to the success of our retail-oriented strategy. From the product planning stage, we work closely with retailers to gather customer feedback such that we can develop products that are truly welcomed by the market. Analysis of product sales performance and

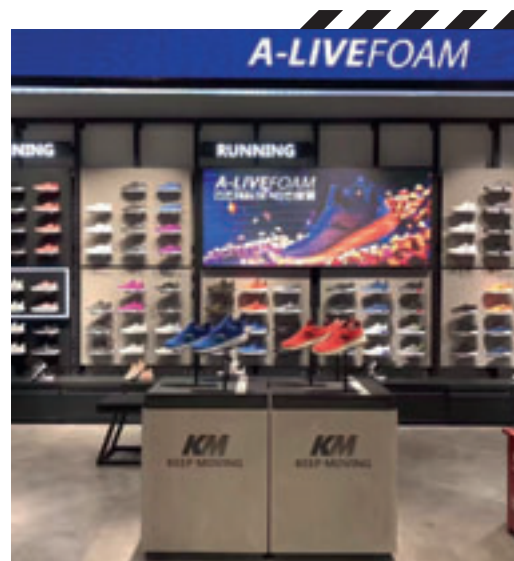
customers' feedback gathered by our real-time monitoring system are shared with our retailers on a regular basis. Such timely market information and retail data also enables us to stay abreast of consumer demands and to formulate more accurate product development plans, as well as future order guidance and replenishment order forecasts for retailers.

Third, we provide precise future order guidance to retailers to prevent inventory pile-up. We believe that healthy inventory levels can avoid deep discounts, which will in turn stabilize retailers' profitability and ensure sustainability. Therefore, we aim to provide precise future order guidance on a per store basis, so as to allow greater accuracy of orders and stabilize in-store inventory levels. We also encourage our retailers to be flexible in placing replenishment orders to reduce their inventory risks. At the same time, our well-managed clearance channels, including outlet stores and e-commerce platforms enable our distributors to reduce inventory risk at a faster pace.

Fourth, we require all our retailers to strictly follow our retail policies. In order to strengthen their competitiveness and profitability, we thoroughly examine our retailers' store opening plans and ensure that our stringent retail policies are being followed. We insist on maintaining a consistent store image across our nationwide distribution network, and the standardization of product display equipment and pop



MANAGEMENT DISCUSSION AND ANALYSIS



materials which highlight quarterly marketing themes. During the period, we continued to encourage retailers to upgrade their store layouts in line with our latest store image.

Fifth, we help retailers to optimize their operating performance and store efficiency. We adopted a flattened sales management system and streamlined our distribution structure to facilitate our interaction with retailers. Through a comprehensive monitoring system, including a real-time ERP system, weekly reports submitted by our POS and channel checks by our sales teams, we are able to closely monitor retailers' performance and carry out immediate measures to help improve the operational efficiency of the retail stores.

Sixth, our brands ultimately reach customers through our nationwide distribution network. An attractive

store image and unique shopping experience play a key role in enhancing retail efficiency and boosting customer traffic. With the continuous renovation and upgrade of our stores, we are able to offer customers a more pleasant and customized shopping experience, thus increasing sales and store efficiency. This is the reason behind the introduction of the 8th generation stores. Store decor and promotional materials such as in-store posters and product display equipment are provided to retail stores to highlight the marketing themes and product story of the season. During the period we also further optimized our visual merchandising to put our signature products, such as the KT series, along with other basketball, cross-training and professional running series, in the spotlight.

3.3 E-Commerce

On the back of the rising importance of e-commerce within the retail industry, we have expanded and improved our e-commerce business. To cope with increasing demands in online shopping, we offered a selection of new products by launching exclusive online products and offline in-season products. With e-commerce becoming increasingly important, we hope to support our omni-channel and multi-brand strategy with a clear strategy for our e-commerce business.

Our e-commerce business has offered products of different brands under the Group. It has already become a comprehensive and interactive platform

which makes online shopping more convenient, ensures reliable delivery and offers quality after-sales services. In addition to the official online flagship store of each brand, we have collaborated with various renowned e-commerce platforms, including Tmall, JD, Vipshop etc. to further boost the performance of our e-commerce business. The business also made a breakthrough in the integration of our online and offline channels, such as launching of ANTAUNI on Tmall during the period.

Under our strict guidelines and policies, we only allow authorized third party online retailers to sell our products on online stores. Moreover, we have allowed some of our most outstanding offline distributors to sell ANTA products online to maximize the mutual benefits between web-based and brick-and-mortar stores.

We believe corporation must transform themselves to cope with the increasing importance of e-commerce. Our experienced online sales team has been helping us to attract more online shoppers and we have used different methods to achieve this goal. For example, we optimized our e-store interface, improved product descriptions and presentation, and enhanced our product search and cataloging functions. We standardized all our online product launch schedules, priorities and styles, which created synergy and prevented competition between our online and offline retailers. In addition, we provide comprehensive

customer services, including secure payment systems, a well-established supply chain, fast and reliable delivery services, VIP membership and product return guarantees. We believe the positive feedback from our customers will help us to establish a solid brand reputation that we have built up. Our e-commerce segment is gaining significance in our business and we will continue to explore further profitable market opportunities.

4. Supply Chain Management

As a leading sportswear company in China, we recognize the importance of effective supply chain management. We understand that suppliers and distributors must develop in tandem with us to avoid negative impacts on our operations. In addition to implementing a strict partner and supplier selection process, we are also committed to providing assistance to suppliers and partners to enhance their governance, production and operation standards.

During the period, we strengthened our supply chain to help us to produce differentiated products. For instance, in order to encourage suppliers to make improvements, we established a performance-based incentive system to motivate them. Based on various factors among and measurements adopted by different suppliers, we created a metric system that integrates suppliers' performance and results and

generates scores and a ranking. As their performances have continued to improve, we encouraged and assisted suppliers to apply for international accreditations. In the long run, we will reward those with high ratings with increased orders and additional resources and allowances.

Apart from keeping in close contact with suppliers, from time to time, we also host training camps and annual meetings with suppliers to share our plans and trends within the industry for the coming year. These initiatives have encouraged them to produce more innovative products.

Supported by high quality OEMs, our in-house manufacturing facilities have extra capacity to efficiently and flexibly meet unexpected demand in a cost-effective manner. We have also further improved our supply chain to shorten the production lead times, allowing us to capture consumer demand in a timely manner. In addition, we fully support our supply chain partners' efforts to enhance quality controls and workflow efficiency and to improve their responsiveness to changing market conditions. We were also able to accurately and efficiently keep track of additional orders, therefore improving the growth prospect of our business.

We have also strategically combined in-house and outsourced production to better respond to market conditions and changes in consumer preferences.

In order to be more flexible in fulfilling replenishment orders and maintain our cost advantage, we have further optimized the efficiency of our production process. During the period, self-produced footwear and apparel of ANTA accounted for 39.1% and 16.7%, of the total sales quantities respectively (20161H: 40.9% and 17.3%).



MANAGEMENT DISCUSSION AND ANALYSIS



5. Product Management

We believe technological innovation, original design and product safety are the keys to product differentiation. As part of our ongoing focus on product innovation, our R&D costs as a percentage of our cost of sales reached 5.8% during the period. Besides A-Jelly, A-Loop, A-Strata, A-Proofrain and A-Web technology, we also introduced A-Livefoam technology, supporting the livefoam dynamic-net running shoes, a professional series designed specifically for the mass consumers. The new materials built into the shoes have provided more protection for runners' ankles and improved comfort and breathability, allowing runners to exert more power. We believe that, with the support of those new series, runners can run faster and better.

In March 2017, we entered into a "Trademark/Copyright License Agreement" with the Chemours Company in relation to Teflon EcoElite™ renewably-sourced water repellent. This allows us to receive Chemours' license to use Teflon EcoElite™ to develop our water-proof product line such as the "Rain-Breaker". The collaboration boosted ANTA's reputation in innovative technologies and R&D capabilities as well as our brand recognition.

In addition, we formed a strategic alliance with Noble Biomaterials, Inc., which provided us with XT2® Technology, a best-in-class odor elimination solution which utilizes the properties of silver to stop odors developing by inhibiting the growth of bacteria and fungi in fiber. In doing so, XT2® keeps products smelling

fresher for longer. Through the launch of Anti-Odor platform powered by XT2® Technology, this odor-eliminating solution is employed for ANTA's fitness, training and leisure products, as well as other brands' products, further enhancing our reputation for innovation and as an industry leader in sustainability.

6. Quality Control

In a highly competitive industry, designing and producing comfortable, safe and high-quality sportswear for consumers is essential for increasing market share. Therefore, it is our top priority to enhance quality controls at both our own factories and at our suppliers' production facilities throughout the whole manufacturing process. Aside from implementing internationally-recognized ISO testing standards at our factories, which ensure all the products are in full compliance with recognized quality standards, we also conduct product tests to ensure our suppliers adopt the same standards. In addition, we continue to cooperate and communicate with the authorities and external organizations to look at ways to enhance national policies and standards within the industry, as well as provide periodic training to employees to ensure their knowledge is kept up-to-date. We have a strict product recall management system in place which serves as a reference point for our employees and prevents us from distributing defective products. Our distributors are also required to recall all defective

products which fail to comply with regulatory requirements. Further to that, employees are not allowed to handle defective products on their own.

7. Human Resources Management

7.1 A Congenial Workplace

Employees are a crucial part of our long-term business development strategy, and are key for delivering strong financial and operating performance as well as business success. We provide competitive remuneration packages and comprehensive fringe benefits to all employees, including discretionary bonus based on performances. We also have share option schemes which allow us to grant share options to qualified executives including employees. Details of the share option schemes are set out in the section entitled “Share Option Schemes” of Other Information. These have kept our employee turnover rate at a stable level, and ensured employee performance and productivity are of the highest quality. We continue to employ talented individuals from a range of different backgrounds, and continue to expand our professional team. Meanwhile, we have also organized various training sessions and seminars and have provided education subsidies to qualified employees to encourage them to embrace our “Keep Moving” spirit. As at 30 June 2017, we had around 18,000 employees (end of 2016: 17,800 employees) in total.





Manny Pacquiao
A Filipino boxing champion

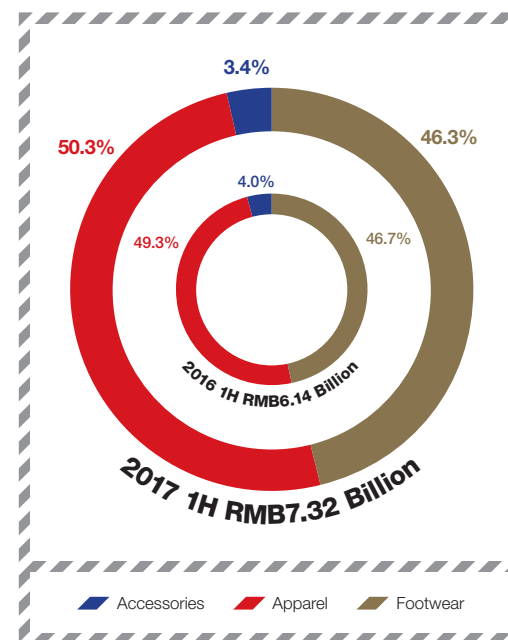
FINANCIAL REVIEW

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					
	2017		2016		Changes
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)	(%)
Footwear	3,387.2	46.3	2,866.9	46.7	↑ 18.1
Apparel	3,684.8	50.3	3,027.2	49.3	↑ 21.7
Accessories	251.2	3.4	248.6	4.0	↑ 1.0
Overall	7,323.2	100.0	6,142.7	100.0	↑ 19.2

During the financial period, the Group's revenue increased by 19.2% as compared with the same period of 2016. The growth rate is higher than the growth rate of the order value of 2017 first half trade fairs for ANTA branded products as announced before mainly due to the stronger pace of growth in other businesses.



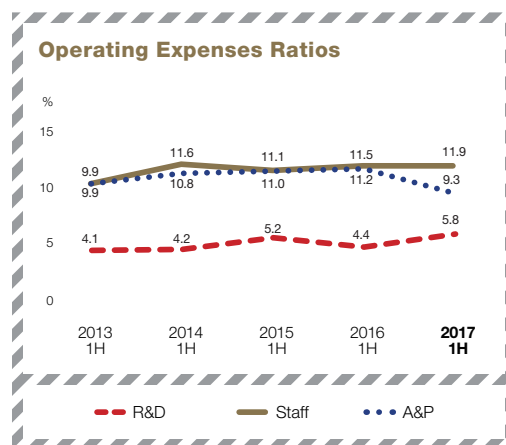
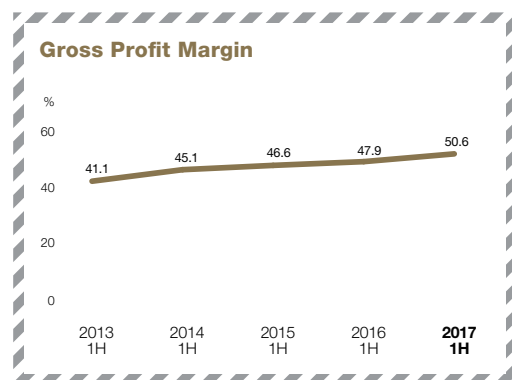
Gross Profit and Gross Profit Margin Breakdown by Product Category

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					
	2017		2016		Changes
	Gross profit (RMB million)	Gross profit margin (%)	Gross profit (RMB million)	Gross profit margin (%)	(% point)
Footwear	1,632.4	48.2	1,293.6	45.1	↑ 3.1
Apparel	1,972.7	53.5	1,558.6	51.5	↑ 2.0
Accessories	98.6	39.3	89.0	35.8	↑ 3.5
Overall	3,703.7	50.6	2,941.2	47.9	↑ 2.7

Due to the expansion of retail operations and stringent cost control efforts, the Group's overall gross profit margin for the financial period increased 2.7% point as compared with the same period of 2016.

MANAGEMENT DISCUSSION AND ANALYSIS



Net Finance Income

Interest income for the financial period amounted to RMB76.5 million (2016: RMB70.2 million). Such increase was mainly driven by the increase in average amount of bank deposits and bank balances during the financial period.

Interest expense on bank loans amounted to RMB10.9 million (2016: RMB21.6 million) for the financial period. Such decrease was mainly driven by the decrease in average amount of bank loans during the financial period.

Other Net Income

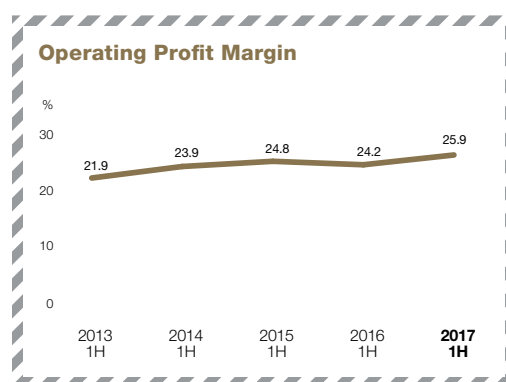
Other net income for the financial period amounted to RMB172.5 million (2016: RMB107.1 million), which mainly comprised of government grants of RMB154.0 million (2016: RMB112.6 million). The government grants were provided to the Group in recognition of its contribution towards the local economic development.

Operating Expenses Ratios

The ratio of advertising and promotional expenses to revenue decreased by 1.9% point for the financial period mainly due to the absence of expenditures in relation to the COC sponsorship and the notable growth in revenue. The ratio of staff costs to revenue increased by 0.4% point mainly due to the increase in the Group's headcounts amid the expansion of its retail operations. The ratio of R&D costs to cost of sales increased by 1.4% point as the Group continued to enhance its overall R&D capability.

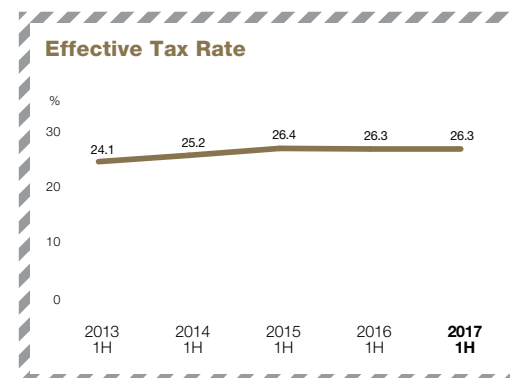
Operating Profit Margin

Operating profit margin increased by 1.7% point to 25.9% for the financial period, which was contributed by the 2.7% point increase in the gross profit margin while partially offset by the increase in selling and distribution expenses and administrative expenses as a result of the expansion of retail operations.



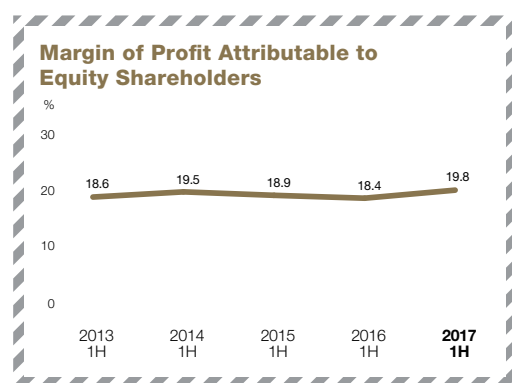
Effective Tax Rate

Effective tax rate was 26.3% for the financial period (2016: 26.3%).



Margin of Profit Attributable to Equity Shareholders

Margin of profit attributable to equity shareholders increased by 1.4% point to 19.8% for the financial period, which was mainly due to the increase in operating profit margin.



Write-down of Inventories

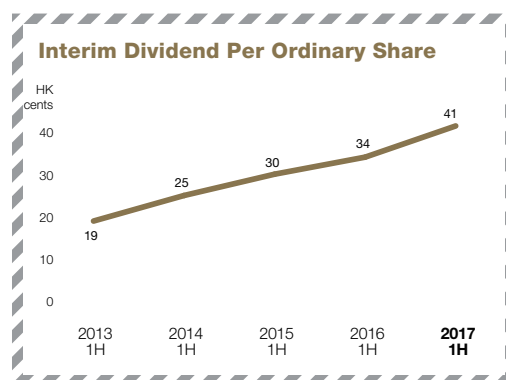
The accounting policy in respect of write-down of inventories for the financial period was the same as that in 2016. Inventories are stated at the cost or net realisable value, whichever is lower. In the event that net realisable value falls below cost, the difference is taken as write-down of inventories and charged to profit or loss. During the financial period, write-down of inventories amounting to RMB20.6 million was charged to profit or loss (2016: RMB1.1 million).

Provision for Doubtful Debts

The accounting policy in respect of provision for doubtful debts for the financial period was the same as that in 2016. The Group assessed the recoverability of the receivables past due and established a provision for the doubtful debts. During the financial period, provision for doubtful debts amounting to RMB48.0 million was charged to profit or loss (2016: RMB1.3 million).

Dividends

The Board has declared an interim dividend of HK41 cents per ordinary share in respect of the financial period, representing a payout of RMB962.4 million (2016: RMB739.5 million), or a distribution of 66.3% (2016: 65.5%) of the current period's profit attributable to equity shareholders.



Liquidity and Financial Resources

As at 30 June 2017, the cash and cash equivalents of the Group amounted to RMB9,559.7 million which were mainly denominated in RMB, HKD and USD, representing an increase of RMB3,729.7 million as compared with the cash and cash equivalents of RMB5,830.0 million as at 31 December 2016. This is mainly attributable to:

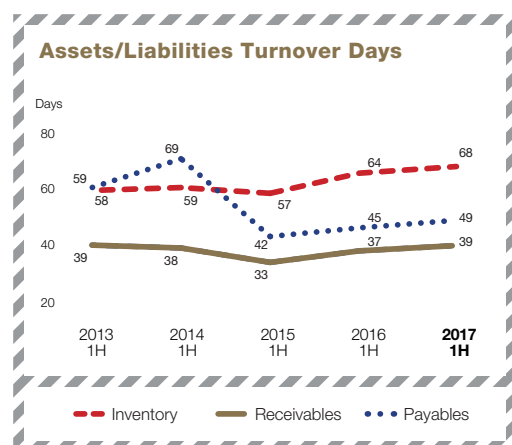
- Net cash inflow from operating activities amounted to RMB2,057.8 million, which was slightly higher than the profit from operations for the period and represents the strong cash generation capability of the Group.
- Net cash inflow from investing activities amounted to RMB382.3 million, including mainly net uplift of fixed deposits held at banks with maturity over three months of RMB615.2 million and capital expenditures of RMB282.9 million.
- Net cash inflow from financing activities amounted to RMB1,447.2 million, mainly including the net proceeds from shares issued under placing and top-up subscription amounting to RMB3,394.1 million, the payment of the final and special dividends in respect of the financial year 2016 amounting to RMB1,006.8 million, the net repayment of bills of exchange amounting to RMB110.0 million, the net repayment of bank loans amounting to RMB827.7 million and the payments of interest expense on bank loans amounting to RMB29.3 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2017, total assets of the Group amounted to RMB17,497.5 million, of which current assets were RMB14,466.9 million. Total liabilities and non-controlling interests were RMB4,240.7 million and total equity attributable to equity shareholders of the Company amounted to RMB13,256.8 million. The Group's gearing ratio was 3.4% as at 30 June 2017 (as at 31 December 2016: 10.8%), being a ratio of sum of bank loans of RMB110.0 million (as at 31 December 2016: RMB937.7 million) and bills payable of RMB490.0 million (as at 31 December 2016: RMB600.0 million) to total assets. Such bank loans (at fixed rate) and bills payable were denominated in Renminbi and repayable within one year.

Assets/Liabilities Turnover Ratios

The average inventory turnover days increased by 4 days, while the average trade receivables turnover days and the average trade payables turnover days increased by 2 days and 4 days respectively. Such turnover ratios remained at relatively normal levels.



	2017 (RMB million)	2016 (RMB million)
Six months ended 30 June		
Net operating cash inflow	2,057.8	1,098.5
Capital expenditures	(282.9)	(372.9)
Others	50.0	1.2
Free cash inflow	1,824.9	726.8
As at 30 June		
Cash and cash equivalents	9,559.7	5,463.2
Fixed deposits held at banks with maturity over three months	877.2	1,158.9
Pledged deposits	194.6	194.6
Bank loans	(110.0)	(937.7)
Bills payable	(490.0)	(500.0)
Net cash	10,031.5	5,379.0

Pledge of Assets

As at 30 June 2017, the Group had bank deposits of RMB194.6 million (as at 31 December 2016: RMB194.6 million) pledged to secure bankers' documentary credits for certain contracts and construction projects.

Capital Commitments and Contingencies

During the financial period, certain capital commitments were utilised in the additions to construction in progress, which was mainly related to the Group's new logistic centre in the PRC.

As at 30 June 2017, the Group had capital commitments of RMB765.3 million, primarily relating to the construction of the new logistic centre and the expansion of retail channels.

As at 30 June 2017, the Group did not provide 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 manage 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 most of the non-PRC entities is the Hong Kong dollar and those financial statements are translated into Renminbi for reporting and consolidation purposes, foreign exchange differences arising from the translation of such financial statements are directly recognised in equity as a separate reserve. As the Group conducts business transactions principally in RMB, the exchange rate risk at the Group's operational level is not significant. Nevertheless, the management actively monitors foreign exchange rate fluctuations to ensure that its net exposure is kept to an acceptable level.

Significant Investments and Acquisitions

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.

During the financial period, the Group made no significant investment or any material acquisition or disposal of subsidiary.

Placing and Top-up Subscription

References are made to the announcements of the Company dated 22 March 2017 and 31 March 2017 in relation to the placing of existing Shares and top-up subscription of new Shares under the general mandate.

On 21 March 2017, Anda International, Anda Holdings and Anda Investments (collectively the "Vendors"), Merrill Lynch Far East Limited (the "Placing Agent") and the Company entered into a placing and subscription agreement pursuant to which (i) the Vendors agreed to appoint the Placing Agent, and the Placing Agent agreed, to procure, as agent of the Vendors, placees for an aggregate of 175,000,000 existing Shares (the "Placing Share(s)") at the placing price of HK\$21.67 per Placing Share (the "Placing"); and (ii) the Vendors agreed to subscribe for and the Company agreed to issue to the Vendors, an aggregate of 175,000,000 new Shares (the "Top-up Subscription Share(s)") at the subscription price of HK\$21.67 per Top-up Subscription Share (the "Top-up Subscription").

The completion of the Placing took place on 24 March 2017 and an aggregate of 175,000,000 Placing Shares were successfully placed to not less than six placees, each of whom (to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries) (i) is not a connected person (has the meaning ascribed thereto under the Listing Rules) of the Company and (ii) is an Independent Person (as defined in the announcement dated 22 March 2017), at the placing price of HK\$21.67 per Placing Share. The Top-up Subscription took place on 31 March 2017 and an aggregate of 175,000,000 Top-up Subscription Shares were allotted and issued to the Vendors at the subscription price of HK\$21.67 per Top-up Subscription Share.

The gross proceeds from the Top-up Subscription were approximately HK\$3,792.3 million and the net proceeds after deducting all relevant expenses were approximately HK\$3,787.4 million (equivalent to RMB3,394.1 million).

The Group is committed to seek business opportunities such as acquisition of, and cooperation with, international sportswear brands. The Company shall use the net proceeds from the Top-up Subscription (i) to finance (in whole or in part) such business opportunities as and when appropriate opportunities arise, certain of which could be significant; and/or (ii) as general working capital of the Group.

For further details, please refer to the announcements of the Company dated 22 March 2017 and 31 March 2017.

Other Supplementary Information

Reference is made to the announcement of the Company dated 22 February 2017. The Group, Kolon Corporation and Kolon Industries, Inc. entered into a joint venture agreement (the "JV Agreement") for the proposed formation of a joint venture group (the "JV Group") to principally operate and engage in the business of marketing, sale and distributing of certain categories of products bearing intellectual property rights in relation to the "Kolon Sport" brand name in the PRC, Hong Kong, Macao and Taiwan on an exclusive basis. The Group's interest in the JV Group is proposed to be ultimately 50%.

The completion of the JV Agreement and the transactions contemplated thereunder are subject to the satisfaction of certain conditions set out in the announcement. The formation of the JV Group and the transactions contemplated under the JV Agreement may or may not materialise. The Company will make further announcement(s) in respect of the completion of the JV Agreement and the formation of the JV Group as and when appropriate in compliance with the Listing Rules.

PROSPECTS

For many people, taking part in sports is no longer just about health, it is a way of life. The increasing popularity of sports and rising participation levels have increased the demand for sportswear, and with the Chinese government's support for the sports industry's development as well as opportunities arising from the Beijing 2022 Winter Olympics, the size of the country's sports industry is expected to reach RMB7 trillion by 2025. It is expected that the next 10 years will be a golden age for China's sports industry.

Our unique understanding of consumers and the market has enabled the Group to keep up the pace in a constantly changing environment. We continue to implement our "Single-focus, Multi-brand and Omni-channel" strategy, which has allowed us to provide a wide range of brands to cover all consumer segments, from professional to athleisure, from high-end to mass market, and from running, cross training and basketball to women's fitness, skiing and other market segments. When it comes to sales channels, we see that foot traffic and shopping habits are changing, and in response, we will further optimize the mix by increasing the proportion of ANTA stores in shopping malls and department stores, as well as improve store efficiency and open more stores in prime locations. In anticipation of the exponential growth expected from e-commerce channels, we have also integrated both our online and offline channels, as well as leveraged our logistics and delivery capabilities and big data resources, to attain omni-channel coverage.

At the same time, we aim to optimize our brand mix by seeking M&A opportunities involving high-end international brands that can complement and

enhance the Group's ability to meet the sportswear needs of each consumer. We will continue to leverage the competitive advantages of our multi-brand portfolio, namely ANTA, ANTA KIDS, FILA, FILA KIDS and DESCENTE, to maximize each brand's market reach through different channels. We hope that everyone will be inspired by the "Keep Moving" spirit of ANTA as we move forward and build upon our phenomenal growth in the next 10 years. This will enable us to meet our long-term goal of becoming a respected world-class multi-brand sportswear group.

Improving Operational Efficiency by Refining Retail Management

We see operational efficiency and cost competitiveness as the keys to maintaining sustainable growth. As such, we are committed to optimizing our supply chain and logistics efficiency continuously and to improving the cost effectiveness of advertising and promotion activities and R&D. With this in mind, the Group will continue to refine its retail management. With the opening of the Group's new logistics center – set to commence operations in early 2018 – the Group will also significantly reduce delivery times from more than one month on average to as short as 48 hours, laying the foundations for the implementation of our integrated business model which includes online, offline, wholesale, retail and e-commerce platforms in the future. In addition, the new logistics center will support the logistical needs of our retail businesses such as FILA and DESCENTE. Having upgraded the ERP system's real-time data collection and analysis procedures, we will have a greater capacity to accurately monitor the performance of retailers, and identify consumer preferences and needs, which will enable us to launch new and popular products in a timely manner.

Building Consumer Loyalty by Focusing on Consumer Experience and Innovation

In addition to China and Japan, we established our new design center "LAUNCH" in the US to form a design and technological innovation platform with the goals of enhancing the creativity and originality of design, and producing high value for money sportswear for beginners, as well as semi-professional and professional users. Brands within the Group also have their own international design teams that are responsible for researching, developing and designing unique products based on consumer preferences, as well as keeping abreast of the latest trends within each target consumers group. In the near future, as our supply chain and logistics become more efficient, we will be able to make better use of more retail data, market analyses and insights, which will allow us to make quick decisions on product launches and better respond to consumer needs. Moreover, we will continue to provide the best consumer experience, and enhance customer brand loyalty through our membership system. Finally, we aim to enhance repeated purchases by our members by launching marketing activities using big data derived from interactions between members and brands.

Fulfilling Market Demand Responsively to Reduce Inventory Risks

According to the trade fair results for the second half of 2017, the order value of ANTA continued to achieve satisfactory growth. Meanwhile, we plan to improve our replenishment order system to further increase of proportion of replenishment orders on top of the trade fair orders such that we can further improve our products' ability in meeting consumer demands, and to optimize our inventory levels. To improve the efficiency of our replenishment order system, we will enhance our efficiency by running

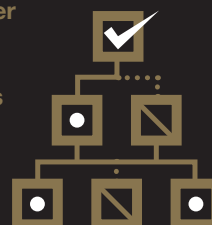
Tapping Potential Markets by Multi-Brand Strategy, Driving Long-Term Growth for the Group



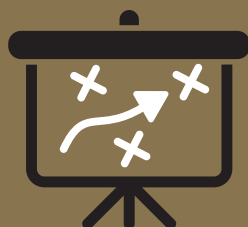
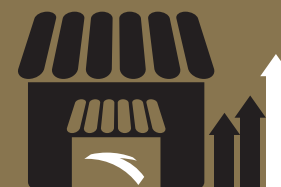
Focusing on Consumer Experience, Strengthening Innovation and Product Differentiation



Optimizing Number of SKUs, Raising Sales Volumes of Best-Selling Items



Optimizing Retail Network, Increasing % of Shop-in-Shop for ANTA



Improving Store Efficiency and Management, Meeting Consumer Demands by Omni-Channel Strategy

Targeted Number of Stores by End of 2017:
ANTA and ANTA KIDS: 9,200-9,300
FILA and FILA KIDS: 950-1,000
DESCENTE: 50-60

Shortening Delivery Time through New Logistics Center, Enhancing Flexibility and Cost-Efficiency for Replenishment Orders



pre-sales campaigns before product launches and implementing rapid fulfillment measures according to the market's response. We will also reform our merchandize management model in order to further reduce the risk of inventory buildup. Such measures will ultimately improve the efficiency of our products and increase sales growth at retail channels. Moreover, we will further optimize number of SKUs and to increase the sales volumes of best-selling items.

Improving Store Management and Efficiency to Meet Consumer Demands

To maintain the long-term sustainability of all retail

channels, we will continue to pursue our retail-oriented strategy to help our retailers maximize profitability and enhance store efficiency, which will include upgrading more ANTA stores to the new 8th generation store layout, improving data analysis capabilities to formulate more accurate ordering guidance, responding to ever-changing market demands and preferences as well as enhancing inventory controls. In the future, FILA will adopt a "multiple stores in one location" strategy to promote different types of FILA products. FILA will mainly offer high-end sports fashionwear, while FILA KIDS will target the high-end children's market, and FILA Athletics and FILA Fusion

specialty stores will feature professional sportswear and trendy sportswear respectively. By the end of 2017, we expect the total number of ANTA stores (including ANTA KIDS standalone stores) in China to reach 9,200 to 9,300 and the total number of FILA stores (including FILA KIDS standalone stores) in China, Hong Kong, Macao and Singapore to reach 950 to 1,000. Meanwhile, our DESCENTE brand will penetrate deeper into first and second tier cities, with a focus on opening stores in prime locations and strengthening its market position. It is expected to have 50 to 60 stores in China by the end of 2017.



Zheng Zhi
A Chinese soccer athlete

REVIEW REPORT OF THE AUDITORS



To the Board of Directors of

ANTA Sports Products Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 38 to 53 which comprises the condensed consolidated statement of financial position of ANTA Sports Products Limited as of 30 June 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof, and to be in compliance with either International Accounting Standard 34 “*Interim Financial Reporting*” issued by the International Accounting Standards Board or Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants, depending on whether the issuer's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRSs”) or Hong Kong Financial Reporting Standards (“HKFRSs”). As the annual consolidated financial statements of ANTA Sports Products Limited are prepared in accordance with both IFRSs and HKFRSs, the directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34 and Hong Kong Accounting Standard 34.

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

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting* and Hong Kong Accounting Standard 34, *Interim Financial Reporting*.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

15 August 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	2017 RMB'000	2016 RMB'000
Revenue	3	7,323,151	6,142,693
Cost of sales		(3,619,448)	(3,201,494)
Gross profit		3,703,703	2,941,199
Other net income		172,535	107,075
Selling and distribution expenses		(1,523,843)	(1,261,011)
Administrative expenses		(454,932)	(299,003)
Profit from operations		1,897,463	1,488,260
Net finance income	4	111,869	88,445
Profit before taxation	5	2,009,332	1,576,705
Taxation	6	(528,035)	(414,500)
PROFIT FOR THE PERIOD		1,481,297	1,162,205
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 the PRC		(157,445)	(2,490)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,323,852	1,159,715
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the Company		1,451,387	1,129,189
Non-controlling interests		29,910	33,016
PROFIT FOR THE PERIOD		1,481,297	1,162,205
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity shareholders of the Company		1,293,942	1,126,699
Non-controlling interests		29,910	33,016
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,323,852	1,159,715
Earnings per share	7	RMB cents	RMB cents
— Basic		55.98	45.15
— Diluted		55.94	45.05

The accompanying notes on pages 43 to 53 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 19(i).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017 – unaudited
(Expressed in Renminbi)

	Note	30 June 2017 RMB'000	31 December 2016 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	8	1,169,256	1,170,363
Construction in progress	9	504,637	157,024
Lease prepayments	10	309,794	341,752
Prepayments for acquisition of land use rights		153,506	153,506
Prepayments for acquisition of other non-current assets		71,502	245,874
Intangible assets	11	467,498	477,520
Other financial assets		49,350	49,350
Deferred tax assets	18(b)	305,007	175,036
Total non-current assets		3,030,550	2,770,425
Current assets			
Inventories	12	1,444,175	1,294,939
Trade and other receivables	13	2,391,250	2,641,237
Pledged deposits	14	194,576	194,576
Fixed deposits held at banks with maturity over three months	15	877,228	1,492,405
Cash and cash equivalents	15	9,559,697	5,829,959
Total current assets		14,466,926	11,453,116
Total assets		17,497,476	14,223,541
Current liabilities			
Bank loans	16	110,000	937,706
Trade and other payables	17	3,302,734	3,060,110
Amounts due to related parties	22(b)	10,711	7,499
Current taxation	18(a)	291,876	267,190
Total current liabilities		3,715,321	4,272,505
Net current assets		10,751,605	7,180,611
Total assets less current liabilities		13,782,155	9,951,036

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

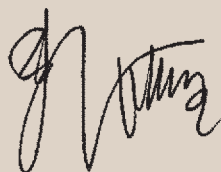
As at 30 June 2017 – unaudited
(Expressed in Renminbi)

	Note	30 June 2017 RMB'000	31 December 2016 RMB'000 (audited)
Non-current liabilities			
Long-term payable to non-controlling interests — unsecured and at amortised cost		40,453	40,286
Deferred tax liabilities	18(b)	107,291	14,419
Total non-current liabilities		147,744	54,705
Total liabilities		3,863,065	4,327,210
Net assets		13,634,411	9,896,331
Equity			
Share capital	19	258,924	242,698
Reserves	19	12,997,874	9,305,930
Total equity attributable to equity shareholders of the Company		13,256,798	9,548,628
Non-controlling interests		377,613	347,703
Total liabilities and equity		17,497,476	14,223,541

The accompanying notes on pages 43 to 53 form part of this interim financial report.



Ding Shizhong
Chairman and Chief Executive Officer



Lai Shixian
Chief Operating Officer



Lam Jim
Chief Financial Officer

Hong Kong, 15 August 2017

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi)

		Attributable to equity shareholders of the Company							Non-controlling interests	Total equity	
		Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Share-based compensation reserve	Retained profits			Total
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 2016		242,579	397,476	141,029	622,546	(274,027)	26,741	7,423,322	8,579,666	234,577	8,814,243
<i>Changes in equity for the six months ended 30 June 2016:</i>											
Profit for the period		-	-	-	-	-	-	1,129,189	1,129,189	33,016	1,162,205
Other comprehensive income for the period		-	-	-	-	(2,490)	-	-	(2,490)	-	(2,490)
Total comprehensive income for the period		-	-	-	-	(2,490)	-	1,129,189	1,126,699	33,016	1,159,715
Dividends approved in respect of the previous year		19(i)	-	-	-	-	-	(801,374)	(801,374)	-	(801,374)
Shares issued pursuant to share option schemes		19(a)	10	1,953	-	-	-	(425)	-	1,538	1,538
Appropriation to statutory reserve			-	-	-	40,884	-	-	(40,884)	-	-
Balances as at 30 June 2016		242,589	399,429	141,029	663,430	(276,517)	26,316	7,710,253	8,906,529	267,593	9,174,122
Balances as at 1 January 2017		242,698	416,237	141,029	810,883	(164,734)	22,898	8,079,617	9,548,628	347,703	9,896,331
<i>Changes in equity for the six months ended 30 June 2017:</i>											
Profit for the period		-	-	-	-	-	-	1,451,387	1,451,387	29,910	1,481,297
Other comprehensive income for the period		-	-	-	-	(157,445)	-	-	(157,445)	-	(157,445)
Total comprehensive income for the period		-	-	-	-	(157,445)	-	1,451,387	1,293,942	29,910	1,323,852
Dividends approved in respect of the previous year		19(i)	-	-	-	-	-	(1,006,774)	(1,006,774)	-	(1,006,774)
Shares issued pursuant to share option schemes		19(a)	546	28,689	-	-	-	(2,299)	-	26,936	26,936
Shares issued under placing and top-up subscription		19(a)	15,680	3,378,386	-	-	-	-	3,394,066	-	3,394,066
Appropriation to statutory reserve			-	-	-	152,816	-	-	(152,816)	-	-
Equity settled share based payments		19(f)	-	-	-	-	-	(117)	117	-	-
Balances as at 30 June 2017		258,924	3,823,312	141,029	963,699	(322,179)	20,482	8,371,531	13,256,798	377,613	13,634,411

The accompanying notes on pages 43 to 53 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2017 RMB'000	2016 RMB'000
Operating activities:			
Cash generated from operations		2,541,343	1,467,857
Income tax paid		(540,448)	(470,593)
Interest received		56,862	101,212
Net cash generated from operating activities		2,057,757	1,098,476
Investing activities:			
Capital expenditures paid		(282,917)	(372,934)
Net uplift of fixed deposits held at banks with maturity over three months		615,177	206,112
Decrease in other financial assets		–	175,525
Other cash flows derived from investing activities		49,991	9,132
Net cash received from investing activities		382,251	17,835
Financing activities:			
Net repayment of bank loans		(827,706)	(392,294)
Payments of interest expenses on bank loans		(29,347)	(15,807)
Net (repayment of)/proceeds from issue of bills of exchange		(110,000)	391,426
Net proceeds from shares issued under placing and top-up subscription	19(a)	3,394,066	–
Dividends paid to equity shareholders of the Company	19(i)	(1,006,774)	(801,374)
Other cash flows derived from financing activities		26,936	1,538
Net cash received from/(used in) financing activities		1,447,175	(816,511)
Net increase in cash and cash equivalents		3,887,183	299,800
Cash and cash equivalents as at 1 January		5,829,959	5,165,859
Effect of foreign exchange rate changes		(157,445)	(2,490)
Cash and cash equivalents as at 30 June	15	9,559,697	5,463,169

The accompanying notes on pages 43 to 53 form part of this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and International Accounting Standard 34, *Interim Financial Reporting*, (“IAS 34”) issued by the International Accounting Standards Board (“IASB”). IAS 34 is consistent with Hong Kong Accounting Standard 34, *Interim Financial Reporting*, (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accordingly this interim financial report is also prepared in accordance with HKAS 34. It was authorised for issue on 15 August 2017.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes, if any, that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 and HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes which do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) and Hong Kong Financial Reporting Standards (“HKFRSs”). The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company. It has also been reviewed by the Company’s auditors, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA. KPMG’s Review Report to the Board of Directors is included on page 37.

2 CHANGES IN ACCOUNTING POLICIES

(a) Effect of adopting amendments to standards

The IASB and HKICPA have issued a number of amendments to IFRSs and HKFRSs respectively that are first effective for the current accounting period of the Group. None of these developments has had a material effect to the Group’s results and financial position.

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

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and have not been applied in preparing the interim financial report.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have impact on the consolidated financial statements.

IFRS/HKFRS 9 Financial Instruments

IFRS/HKFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group currently plans to adopt IFRS/HKFRS 9 initially on 1 January 2018.

IFRS/HKFRS 9 contains three principal classification and measurement categories for financial assets: amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”). The Group has yet to undertake a detailed assessment of the classification and measurement of its financial assets, but the Group considers that its investments in equity instruments currently classified as available-for-sale financial assets might fall within the classification as FVTPL with the irrevocable option at inception to present changes in FVOCI which will not be recycling to the profit and loss, hence, there might be a change to the accounting of these assets.

IFRS/HKFRS 9 only affects the accounting for financial liabilities that are designated at FVTPL. The Group did not have any financial liabilities designated at FVTPL as at 30 June 2017.

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

(Continued)

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

There is a change in hedge accounting rules that more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group did not have any such hedging instruments as at 30 June 2017.

IFRS/HKFRS 9 requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under IAS/HKAS 39. It will apply to financial assets measured at amortised cost and debt instruments measured at FVOCI. The Group is in the process of making a detailed assessment of how its impairment provisions would be affected by the new model. So far it has concluded that there would be no material impact for the application of the new impairment requirements.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

IFRS/HKFRS 15 Revenue from Contracts with Customers

IFRS/HKFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group currently plans to adopt IFRS/HKFRS 15 initially on 1 January 2018.

IFRS/HKFRS 15 establishes a five-step model comprehensive framework for the recognition of revenue from contracts with customer: (i) identify the contract; (ii) identify performance obligations; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Group is currently assessing the effects of applying the new standard on the Group's financial statements and currently does not anticipate that the application of IFRS/HKFRS 15 in the future will have a significant impact on the Group's consolidated financial statements.

IFRS/HKFRS 16 Leases

IFRS/HKFRS 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted for entities that adopt IFRS/HKFRS 15 at or before the date of the initial adoption of IFRS/HKFRS 16. The Group currently plans to adopt IFRS/HKFRS 16 initially on 1 January 2019.

IFRS/HKFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard.

The Group has started an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases. In addition, the nature of expenses related to those leases will now change as IFRS/HKFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Save as discussed above, all other new standards or amendments to standards issued but not effective are not likely to have significant impact on the consolidated financial statements.

3 REVENUE

The principal activities of the Group are manufacturing and trading of branded sporting goods including footwear, apparel and accessories in the PRC. No segment information is presented for the Group's business segment as the Group is principally engaged in a single line of business of sporting goods.

In addition, the Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, which is the PRC. Therefore, no analysis by geographical regions is presented.

The Group's operations are not subject to significant seasonal factors.

3 REVENUE (Continued)

Revenue represents the sales value of goods sold less returns, discounts, rebates and value added tax, which may be analysed as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Footwear	3,387,219	2,866,880
Apparel	3,684,775	3,027,196
Accessories	251,157	248,617
	7,323,151	6,142,693

For the six months ended 30 June 2017, there was no customer with whom transactions have exceeded 10% of the Group's revenue (2016: Nil).

4 NET FINANCE INCOME

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Interest income	76,513	70,227
Net gain on forward exchange contracts	–	13,501
Other net foreign exchange gain	52,165	36,532
	128,678	120,260
Interest expense on bank loans	(10,859)	(21,620)
Interest expense on discounted bills receivable	–	(8,574)
Interest expense on payable carried at amortised cost	(1,652)	(1,621)
Net loss on forward exchange contracts	(4,298)	–
	(16,809)	(31,815)
Net finance income	111,869	88,445

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Cost of inventories (i) (note 12(b))	3,619,448	3,201,494
Staff costs (i) & (ii)	873,945	704,535
Depreciation (i) (note 8)	95,983	88,036
Amortisation		
– lease prepayments	4,288	3,840
– intangible assets (note 11)	15,753	14,810
Provision for doubtful debts	48,018	1,308
Subcontracting charges (i)	26,916	32,548
Operating lease charges	355,354	244,897
Research and development costs (i) & (ii)	210,640	140,249

(i) Cost of inventories includes subcontracting charges, staff costs, depreciation and research and development costs, total amounting to RMB522,657,000 (2016: RMB531,962,000).

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

NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

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

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Current tax		
PRC Corporate Income Tax and Macao Complementary (Profits) Tax	459,157	387,336
Dividends withholding tax	105,977	67,399
Deferred tax (note 18(b))		
Dividends withholding tax	(105,977)	(67,399)
Origination and reversal of other temporary differences	68,878	27,164
	528,035	414,500

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the 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 2017 and 2016.
- (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) Macao Complementary (Profits) Tax is calculated at the maximum progressive rate of 12% on the estimated assessable profits arising from Macao.
- (v) 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 Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from 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 the PRC 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 RMB1,451,387,000 (2016: RMB1,129,189,000) and the weighted average number of ordinary shares in issue during the period of 2,592,785,000 (2016: 2,501,165,000).

Weighted average number of ordinary shares

	2017	2016
	'000 shares	'000 shares
Issued ordinary shares as at 1 January	2,502,471	2,501,121
Effect of shares issued under placing and top-up subscription	88,950	–
Effect of share options exercised	1,364	44
Weighted average number of ordinary shares as at 30 June	2,592,785	2,501,165

(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)

	2017	2016
	'000 shares	'000 shares
Weighted average number of ordinary shares as at 30 June	2,592,785	2,501,165
Effect of deemed issue of shares under the Company's share option schemes	1,526	5,495
Weighted average number of ordinary shares (diluted) as at 30 June	2,594,311	2,506,660

8 PROPERTY, PLANT AND EQUIPMENT

	2017 RMB'000	2016 RMB'000
Net book value, as at 1 January	1,170,363	1,121,191
Additions	95,204	79,596
Transfer from construction in progress (note 9)	2,655	18,341
Disposals (net book value)	(2,983)	(2,968)
Depreciation charge for the period	(95,983)	(88,036)
Net book value, as at 30 June	1,169,256	1,128,124

9 CONSTRUCTION IN PROGRESS

	2017 RMB'000	2016 RMB'000
As at 1 January	157,024	44,544
Additions	350,268	70,475
Transfer to property, plant and equipment (note 8)	(2,655)	(18,341)
As at 30 June	504,637	96,678

10 LEASE PREPAYMENTS

Lease prepayments represent prepayments for land use rights premiums 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.

11 INTANGIBLE ASSETS

	2017 RMB'000	2016 RMB'000
Net book value, as at 1 January	477,520	464,138
Additions	5,731	40,397
Amortisation charge for the period	(15,753)	(14,810)
Net book value, as at 30 June	467,498	489,725

12 INVENTORIES

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

	30 June 2017 RMB'000	31 December 2016 RMB'000
Raw materials	132,419	103,973
Work in progress	131,963	185,033
Finished goods	1,179,793	1,005,933
	1,444,175	1,294,939

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

	Six months ended 30 June 2017 RMB'000	2016 RMB'000
Carrying amount of inventories sold	3,598,844	3,200,398
Write-down of inventories	20,604	1,096
	3,619,448	3,201,494

13 TRADE AND OTHER RECEIVABLES

	30 June 2017 RMB'000	31 December 2016 RMB'000
Trade receivables	1,579,195	1,675,452
Less: Provision for doubtful debts	(57,590)	(9,572)
	1,521,605	1,665,880
Advance payments to suppliers	340,045	523,540
Deposits and other prepayments	237,430	249,808
VAT deductible	205,961	132,694
Interest receivables	59,988	40,337
Derivative financial instruments	–	11,364
Other receivables	26,221	17,614
	2,391,250	2,641,237

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(Expressed in Renminbi unless otherwise indicated)

13 TRADE AND OTHER RECEIVABLES (Continued)

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, based on the invoice date, is as follows:

	30 June 2017 RMB'000	31 December 2016 RMB'000
Current	1,464,016	1,656,309
Less than 3 months past due	112,035	17,535
Past due over 3 months	3,144	1,608
	1,579,195	1,675,452

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

	2017 RMB'000	2016 RMB'000
As at 1 January	9,572	15,440
Provision for doubtful debts recognised	48,018	1,308
As at 30 June	57,590	16,748

The Group normally grants a credit period of 30 to 90 days to its customers. There were no trade receivables that were past due at the end of the reporting period but not impaired. Receivables that were current relate to customers for whom there was no recent history of default. As at 30 June 2017, 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 PLEDGED DEPOSITS

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 2017 RMB'000	31 December 2016 RMB'000
Deposits with banks within three months to maturity when placed	7,446,038	4,157,634
Cash at bank and in hand	2,113,659	1,672,325
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	9,559,697	5,829,959
Deposits with banks with more than three months to maturity when placed	877,228	1,492,405
	10,436,925	7,322,364

16 BANK LOANS

Bank loans are denominated in Renminbi, carried at amortised cost and repayable within one year.

17 TRADE AND OTHER PAYABLES

	30 June 2017 RMB'000	31 December 2016 RMB'000
Trade payables	1,066,462	910,371
Bills payable	490,000	600,000
Receipts in advance from customers	57,972	90,006
Construction costs payables	40,401	48,557
VAT and other taxes payables	139,804	131,777
Accruals	1,248,322	1,031,745
Other payables	259,773	247,654
	3,302,734	3,060,110

17 TRADE AND OTHER PAYABLES (Continued)

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

	30 June 2017 RMB'000	31 December 2016 RMB'000
Within 3 months	1,033,173	857,726
3 months to 6 months	13,437	35,990
Over 6 months	19,852	16,655
	1,066,462	910,371

Bills payable are bills of exchange which are denominated in Renminbi, carried at amortised cost and repayable within one year.

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 (Profits) 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 2016	77,553	8,192	(131,656)	(45,911)
Charged/(credited) to profit or loss (note 6)	37,984	(4,035)	(6,785)	27,164
Released upon distribution of dividends (note 6 (v))	(67,399)	-	-	(67,399)
As at 30 June 2016	48,138	4,157	(138,441)	(86,146)
As at 1 January 2017	9,615	4,804	(175,036)	(160,617)
Charged/(credited) to profit or loss (note 6)	193,819	5,030	(129,971)	68,878
Released upon distribution of dividends (note 6 (v))	(105,977)	-	-	(105,977)
As at 30 June 2017	97,457	9,834	(305,007)	(197,716)

(c) Deferred tax assets not recognised:

As at 30 June 2017, certain subsidiaries of the Group have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB114,425,000 (31 December 2016: RMB78,428,000) of which RMB65,326,000 (31 December 2016: RMB30,277,000) 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 2017, temporary differences relating to the undistributed profits of certain subsidiaries of the Group in the PRC amounted to RMB3,792,511,000 (31 December 2016: RMB5,216,287,000). Deferred tax liabilities of RMB189,626,000 (31 December 2016: RMB260,814,000) 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.

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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 6,106,000 ordinary shares (2016: 112,000 shares) in the Company at a consideration of RMB26,936,000 (2016: RMB1,538,000) of which RMB546,000 (2016: RMB10,000) was credited to share capital and the balance of RMB26,390,000 (2016: RMB1,528,000) was credited to the share premium account. RMB2,299,000 (2016: RMB425,000) has been transferred from the share-based compensation reserve to the share premium account. 150,000 options were lapsed during the period (2016: Nil). As at 30 June 2017, the total number of shares which may be issued upon the exercise of all options outstanding from the Company's share option schemes is 5,110,000 (31 December 2016: 11,366,000).

On 22 March 2017, the Company entered into a placing and subscription agreement for placing existing shares of the Company and top-up subscription of new shares of the Company by certain vendors which are the controlling shareholders of the Company. A total of 175,000,000 placing shares were placed at HK\$21.67 per share by the vendors to placees and a total of 175,000,000 new shares were allotted and issued at HK\$21.67 per share to the vendors by the Company. The placing and top-up subscription were completed on 24 March 2017 and 31 March 2017, respectively. The net proceeds after deducting all relevant expenses were RMB3,394,066,000, out of which RMB15,680,000 was credited to share capital and RMB3,378,386,000 was credited to the share premium account.

(b) Share premium

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

(c) Capital reserve

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

(d) Statutory reserve

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

(e) Exchange reserve

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

(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. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account for the shares issued) or the option expires (when it is released directly to retained profits).

19 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(g) Pre-IPO share option scheme

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

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. The Group has no legal or constructive obligation to repurchase or settle any of these options in cash.

The Pre-IPO share option scheme was valid and effective for a period of 10 years from the adoption of the scheme on 11 June 2007. On 10 June 2017, the Pre-IPO share option scheme was expired, all share options granted but not exercised under the Pre-IPO share option scheme lapsed on the same date.

(h) Share option schemes

Share Option Scheme I

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

The Share Option Scheme I was valid and effective for a period of 10 years from the adoption of the scheme on 11 June 2007. Pursuant to a resolution passed by the shareholders of the Company in the annual general meeting dated 6 April 2017, the Share Option Scheme I was terminated. All outstanding share options granted under the Share Option Scheme I shall continue to be valid and exercisable in accordance with the Share Option Scheme I.

Share Option Scheme II

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

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

Since the adoption of the Share Option Scheme II, no options have been granted under the Share Option Scheme II.

(i) Dividends

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

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
Interim dividend declared after the interim period of HK41 cents per ordinary share (2016: HK34 cents per ordinary share)	962,445	739,540

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

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(Expressed in Renminbi unless otherwise indicated)

19 CAPITAL, RESERVES AND DIVIDENDS

(Continued)

(i) Dividends (Continued)

- (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	
	2017	2016
	RMB'000	RMB'000
Final dividend in respect of the year ended 31 December 2016, approved and paid during the period, of HK34 cents per ordinary share (2015: HK30 cents per ordinary share)	815,007	632,664
Special dividend in respect of the year ended 31 December 2016, approved and paid during the period, of HK8 cents per ordinary share (2015: HK8 cents per ordinary share)	191,767	168,710
	1,006,774	801,374

20 FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

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

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

- Level 3 valuations: Fair value measured using significant unobservable inputs.

	30 June 2017 Level 2 RMB'000	31 December 2016 Level 2 RMB'000
Recurring fair value measurements		
Assets		
Derivative financial instruments:		
– Forward foreign exchange contracts	–	11,364

During the six months ended 30 June 2017 and 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of financial assets in Level 2 is determined by discounting the expected future cash flows at prevailing market interest rate as at the end of the reporting period.

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

The carrying amounts of all financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2017 except that the fair value of the long-term payable to non-controlling interests is classified within Level 2 of the fair value hierarchy and is approximately RMB51,000,000 (31 December 2016: RMB52,000,000), which is estimated using the expected future cash flows discounted at prevailing market interest rate as at the end of the reporting period.

21 COMMITMENTS

(a) Operating leases

As at 30 June 2017, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	30 June 2017 RMB'000	31 December 2016 RMB'000
Within 1 year	289,290	273,060
After 1 year but within 5 years	192,189	177,876
After 5 years	7,025	7,678
	488,504	458,614

21 COMMITMENTS (Continued)

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.

The above commitments represent basic rents only and do not include contingent rents payable in respect of certain retail shops leased by the Group. In general, these contingent rents are calculated based on the relevant retail shops' revenue pursuant to the terms and conditions as set out in the respective rental agreement. It is not possible to estimate in advance the amount of such contingent rent payable.

(b) Capital commitments

Capital commitments outstanding as at 30 June 2017 not provided for in the interim financial report were as follows:

	30 June 2017 RMB'000	31 December 2016 RMB'000
Contracted for	526,390	686,282
Authorised but not contracted for	238,927	404,362
	765,317	1,090,644

22 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Six months ended 30 June 2017 RMB'000	2016 RMB'000
Recurring transactions		
Purchases of raw materials		
– Quanzhou Anda Packaging Co., Ltd. ("Quanzhou Anda")	22,415	21,157
Service fee		
– Mr. Ding Shijia	9,743	10,060

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

(b) Balances with related parties

	30 June 2017 RMB'000	31 December 2016 RMB'000
Amounts due to related parties		
Trade balance		
– Quanzhou Anda	7,048	5,913
Other balance		
– Mr. Ding Shijia	3,663	1,586
	10,711	7,499

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

(c) Key management personnel remuneration

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

	Six months ended 30 June 2017 RMB'000	2016 RMB'000
Short-term employee benefits	6,625	6,301

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

23 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).

OTHER INFORMATION

INTERIM DIVIDEND

The Board has declared an interim dividend of HK41 cents per ordinary share in respect of the six months ended 30 June 2017. The interim dividend will be payable on or about Monday, 11 September 2017 to shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Wednesday, 30 August 2017.

DISCLOSURE OF INTERESTS

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

As at 30 June 2017, 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⁾	—	51.54%
	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⁾	—	51.22%
	Anta International	Founder of a discretionary trust	4,084 (L) ⁽⁴⁾	—	40.84%
Mr. Lai Shixian	Company	Beneficiary of a discretionary trust/Interest of spouse	160,875,000 (L) ⁽⁵⁾	—	5.99%
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	800,000 (L)	—	0.03%
	Company	Beneficial owner	—	400,000 (L)	0.01%

(L) – Long Position

Notes:

- (1) As at 30 June 2017, the number of outstanding ordinary shares of the Company and of Anta International were 2,683,576,600 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 51.19% of the issued Shares as at 30 June 2017, 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 Mr. Ding Shizhong and his family members. Mr. Ding Shizhong as founder and one of the beneficiaries of the DSZ Family Trust is deemed to be interested in the Shares held by Anta International and Shine Well and 4,144 shares of Anta International held by Shine Well.
- (4) 1,373,625,000 Shares were held through Anta International, representing held 51.19% of the issued Shares as at 30 June 2017, 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 Mr. Ding Shijia and his family members. Mr. Ding Shijia as founder and one of the beneficiaries of the DSJ Family Trust is deemed to be interested in the Shares held by Anta International and Talent Trend and 4,084 shares of Anta International held by Talent Trend.
- (5) The interests of Mr. Lai Shixian in the Company were held through Anda Holdings, which holds 160,875,000 Shares, representing 5.99% of the issued Shares as at 30 June 2017. 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 Mr. Lai Shixian, Ms. Ding Yali and their family members. Ms. Ding Yali as founder of the DYL Family Trust is deemed to be interested in the Shares held by Anda Holdings and Ms. Ding Yali is also deemed under the SFO to be interested in the interests of her spouse, Mr. Lai Shixian. Mr. Lai Shixian is deemed to be interested in the Shares held by Anda Holdings as one of the beneficiaries and under the SFO to be interested in the interests of his spouse, Ms. Ding Yali.
- (6) The interests of Mr. Wang Wenmo in Anta International were held through Fair Billion Development Limited, which holds 1,141 shares of Anta International, representing 11.41% of the issued share capital of Anta International as at 30 June 2017. 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 Mr. Wang Wenmo and his family members. Mr. Wang Wenmo as founder and one of the beneficiaries of the WWM Family Trust is deemed to be interested in the 1,141 shares of Anta International held by Fair Billion Development Limited.
- (7) The interests of Mr. Wu Yonghua in Anta International were held through Spread Wah International Limited, which holds 601 shares of Anta International, representing 6.01% of the issued share capital of Anta International as at 30 June 2017. The entire issued share capital of Spread Wah International Limited is held by Allbright Assets Limited, which is in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust is an irrevocable discretionary trust set up by Mr. Wu Yonghua as settlor and HSBC Trustee as trustee on 23 May 2007. The beneficiaries under the WYH Family Trust are family members of Mr. Wu Yonghua. Mr. Wu Yonghua as founder of the WYH Family Trust is deemed to be interested in the 601 shares of Anta International held by Spread Wah International Limited.

Save as disclosed above, as at 30 June 2017, 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.

OTHER INFORMATION

Interests and short positions of substantial shareholders

As at 30 June 2017, 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⁾	1,660,453,000 (L)	61.87%
Anta International	Beneficial owner	1,373,625,000 (L)	51.19%
Allwealth Assets Limited	Interest in controlled corporation ⁽¹⁾	1,374,625,000 (L)	51.22%
Shine Well	Interest in controlled corporation ⁽¹⁾	1,373,625,000 (L)	51.19%
	Beneficial owner ⁽¹⁾	9,446,000 (L)	0.35%
Talent Trend	Interest in controlled corporation ⁽¹⁾	1,373,625,000 (L)	51.19%
	Beneficial owner ⁽¹⁾	1,000,000 (L)	0.04%
Top Bright Assets Limited	Interest in controlled corporation ⁽¹⁾	1,383,071,000 (L)	51.54%
Anda Holdings	Beneficial owner	160,875,000 (L)	5.99%
Ms. Ding Yali	Founder of a discretionary trust ^{(2)/} Interest of spouse ⁽²⁾	160,875,000 (L)	5.99%
Spring Star Assets Limited	Interest in controlled corporation ⁽²⁾	160,875,000 (L)	5.99%

(L) — Long Position

Notes:

- (1) The interests of HSBC Trustee in the Company were held through Anta International, Anda Holdings, Anda Investments, Shine Well and Talent Trend, representing approximately 51.19%, 5.99%, 4.30%, 0.35% and 0.04% of the issued Shares, respectively. In addition, HSBC Trustee also held 7,000 Shares as trustee for persons unrelated to the substantial shareholders.

HSBC Trustee was the trustee of the DSZ Family Trust and the DSJ Family Trust and it held the entire issued share capital of Top Bright Assets Limited and Allwealth Assets Limited, which in turn held the entire issued share capital of Shine Well and Talent Trend, respectively. Each of Shine Well and Talent Trend was entitled to exercise or control the exercise of one third or more of the voting power at general meeting of Anta International and therefore each of them was deemed to be interested in all the 1,373,625,000 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.

- (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 Mr. Lai Shixian, Ms. Ding Yali and their family members. Ms. Ding Yali as founder of the DYL Family Trust was deemed to be interested in the 160,875,000 Shares held by Anda Holdings and Ms. Ding Yali is also deemed under the SFO to be interested in the interests of her spouse, Mr. Lai Shixian.

Save as disclosed above, as at 30 June 2017, 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 a Pre-IPO share option scheme. The purpose of the Pre-IPO share option scheme was 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. The Pre-IPO share option scheme was valid and effective for a period of 10 years from the adoption of the scheme and on 10 June 2017, the Pre-IPO share option scheme was expired.

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 date of listing of the Company on the Main Board of the Hong Kong Stock Exchange ("Listing Date").

As a result of the expiration of the Pre-IPO share option scheme, all share options granted but not exercised under the Pre-IPO share option scheme lapsed on the same date.

The movements of number of options under the Pre-IPO share option scheme during the six months ended 30 June 2017 were as follow:

Name or category of participant	Number of options					As at 30 June 2017	Exercise price per Share	Date of grant	Vesting period	Exercise period
	As at 1 January 2017	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) ⁽¹⁾	-	-	-	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) ⁽²⁾	-	-	-	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) ⁽³⁾	-	-	-	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	150,000	-	-	(150,000)	-	-	HK\$4.224	12 June 2007	1 year from the Listing Date	10 July 2008 to 10 June 2017
	488,000	-	(488,000) ⁽⁴⁾	-	-	-	HK\$4.224	12 June 2007	3 years from the Listing Date	10 July 2010 to 10 June 2017
	638,000	-	(488,000)	(150,000)	-	-				
Total	5,888,000	-	(5,738,000)	(150,000)	-	-				

Notes:

(1) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$21.92.

(2) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$21.60.

(3) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$21.68.

(4) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$21.93.

OTHER INFORMATION

Share Option Scheme I

The Company has adopted a share option scheme (“Share Option Scheme I”) pursuant to the shareholders’ written resolution passed on 11 June 2007. The purpose of the Share Option Scheme I 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 I 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 I was valid and effective for a period of 10 years from the adoption of the scheme on 11 June 2007. Pursuant to a resolution passed by shareholders in the AGM dated 6 April 2017, the Share Option Scheme I was terminated. All outstanding share options granted under the Share Option Scheme I shall continue to be valid and exercisable in accordance with the Share Option Scheme I.

The movement of number of options under the Share Option Scheme I during the six months ended 30 June 2017 were as follow:

Name or category of participant	Number of options					As at 30 June 2017	Exercise price per Share	Date of grant	Vesting period	Exercise period
	As at 1 January 2017	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	5,077,900	–	(367,500) ⁽¹⁾	–	–	4,710,400	HK\$16.20	15 September 2010	1.5 years from the date of grant	15 March 2012 to 14 September 2020
	5,077,900	–	(367,500)	–	–	4,710,400				
Total	5,477,900	–	(367,500)	–	–	5,110,400				

Note:

(1) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$23.33.

Share Option Scheme II

Pursuant to a resolution passed by the shareholders of the Company in the AGM dated 6 April 2017, to enable the continuity of Share Option Scheme I terminated, the Company has adopted a new share option scheme (“Share Option Scheme II”). Please refer to the circular of the Company dated 2 March 2017 for details of the Share Option Scheme II.

No options were granted, exercised, lapsed or cancelled under the Share Option Scheme II during the six months ended 30 June 2017. As at 30 June 2017, there were no outstanding options under the Share Option Scheme II.

PURCHASES, SALES AND REDEMPTIONS OF LISTED SECURITIES

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2017.

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 2017. 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 2017.

REVIEW OF INTERIM REPORT

The interim financial report for the six months ended 30 June 2017 is unaudited, but has been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants, by KPMG, whose report on review of interim financial report is set out on page 37 of this interim report. This interim report, including the interim financial report, has also been reviewed by the audit committee of the Company.

CHANGE IN DIRECTOR'S INFORMATION

The Company was informed by Mr. Yeung Chi Tat that after the Company's last published 2016 Annual Report, the changes in his biographical details are as follow:

- (1) he ceased to be the president of the International Financial Management Association Hong Kong headquarter with effect from 31 March 2017; and
- (2) he was appointed as an independent non-executive director of Guodian Technology & Environment Group Corporation Limited (stock code: 1296), which is listed on the Hong Kong Stock Exchange, with effect from 8 August 2017.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

GLOSSARY

Anda Holdings

Anda Holdings International Limited

Anda Investments

Anda Investments Capital Limited

ANTA

ANTA brand

Anta International

Anta International Group Holdings Limited

ANTA KIDS

ANTA KIDS brand, which offers ANTA products for children

ANTA Sports/Company

ANTA Sports Products Limited

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

DESCENTE

DESCENTE brand

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

FILA brand

FILA KIDS

FILA KIDS brand, which offers FILA products for children

GDP

Gross Domestic Product

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

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

OEM

Original Equipment Manufacturer

Period

6 months ended 30 June 2017

POP

Point of purchase advertising

POS

ANTA store's point of sales

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

SPRANDI

SPRANDI brand

SKU

Stock keeping unit

The Group

The Company and its subsidiaries

US

United States of America

USD

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

INVESTORS INFORMATION

Stock Codes

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

Share Information

Listing Day:	10 July 2007
Board lot size:	1,000 shares
Numbers of shares in outstanding:	2,683,576,600 shares (As at 30 June 2017)

Dividends

HK cents	2013	2014	2015	2016	2017
Interim dividend	19	25	30	34	41
Final dividend	22	28	30	34	
Special dividend	7	8	8	8	

Important Dates

15 August 2017
30 August 2017 4:30 p.m.
On or about
11 September 2017
31 December 2017

Interim results announcement
Record date of 2017 Interim dividend
Payment date of 2017 Interim dividend

Financial year end date of 2017

Investor Relations Contacts

If you have any inquiries, please contact:

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

Citigate Dewe Rogerson
15th Floor, Chinachem Hollywood Centre, 1 Hollywood Road, Central, Hong Kong
Telephone: (852) 3103 0100
Email: antasportsir@citigate.com.hk



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

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

ir.anta.com

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30 June 2017 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants, by KPMG, whose report on review of interim financial report is set out in the 2017 Interim Report. The interim results have also been reviewed by the audit committee of the Company.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK41 cents per ordinary share in respect of the six months ended 30 June 2017. The interim dividend will be payable on or about Monday, 11 September 2017 to shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Wednesday, 30 August 2017. 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 Wednesday, 30 August 2017 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 of the Company at ir.anta.com.

By Order of the Board
ANTA Sports Products Limited
Ding Shizhong
Chairman

Hong Kong, 15 August 2017

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.