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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 Codes: 2020 (HKD counter) and 82020 (RMB counter)**

### **2024 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 2024. This announcement, containing the full text of the *Interim Report 2024* 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.

#### **RESULTS HIGHLIGHTS**

In the first half of 2024, the Group’s business maintained steady development, achieving faster revenue and profit growth in the industry:

1. Revenue increased by 13.8% year on year to RMB33,735 million.
2. The Group maintained high operating efficiency, its operating profit margin remained at 25.7%; among which:
  - (a) ANTA segment operating profit margin increased by 0.8% point to 21.8%;
  - (b) FILA segment operating profit margin decreased by 1.1% point to 28.6%;
  - (c) All other brands’ operating profit margin decreased by 0.4% point to 29.9%.
3. Profit attributable to equity shareholders without the effect of share of profit or loss of an associate/a joint venture and non-cash accounting gain arising from equity dilution under the Amer Sports Listing increased by 17.0% to RMB6,161 million. Profit attributable to equity shareholders with the effect of share of profit or loss of an associate/a joint venture and non-cash accounting gain arising from equity dilution under the Amer Sports Listing increased significantly by 62.6% to RMB7,721 million.
4. During the financial period, the Group recorded net cash inflow from operating activities amounting to RMB8,502 million and free cash inflow amounting to RMB7,619 million, maintaining a stable cash generating capability.
5. The Board declared an interim dividend of HK118 cents per ordinary share for the six months ended 30 June 2024.

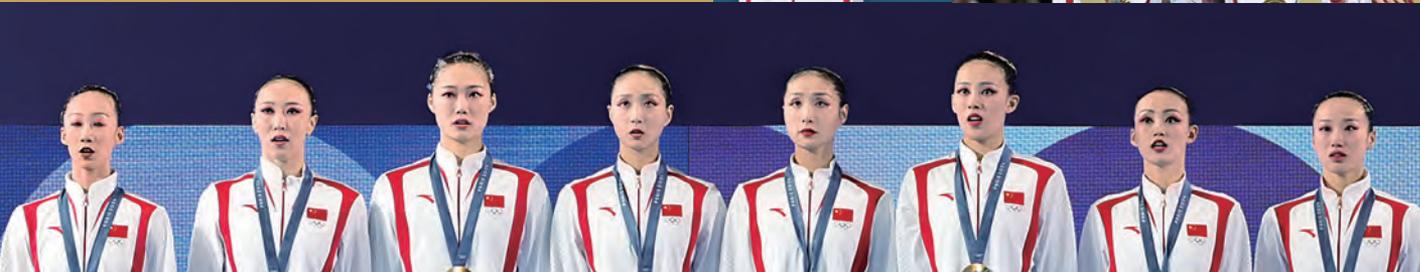
The Company’s *Interim Report 2024* will be available to public for viewing on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [ir.anta.com](http://ir.anta.com) in early September 2024.



Chinese Olympic Committee Official Partner  
中国奥委会合作伙伴

ANTA SPORTS PRODUCTS LIMITED

Incorporated in the Cayman Islands with limited liability  
Stock Codes: 2020 (HKD counter) and 82020 (RMB counter)



Sports  
for Life

ANTA for  
China

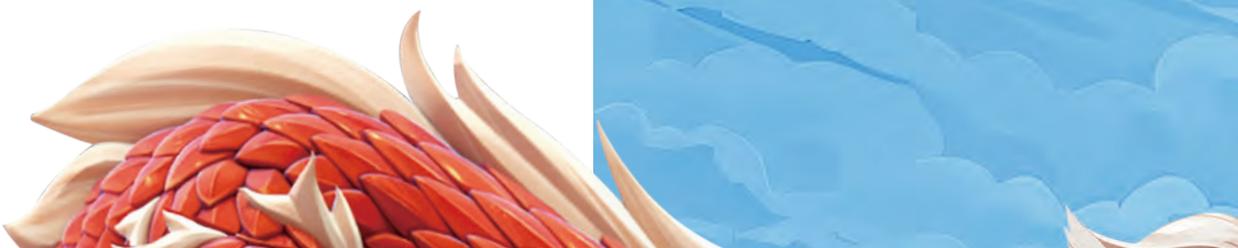
INTERIM REPORT  
2024





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# CORPORATE PROFILE

ANTA was established in 1991; while ANTA Sports Products Limited, a widely recognized global sportswear company, was listed on the Main Board of HKEx in 2007 (Stock Codes: 2020 (HKD counter) and 82020 (RMB counter)). The mission of the company is to integrate the sports spirit of “Going Beyond Oneself” into everyone’s daily life. ANTA Sports principally engages in design, R&D, manufacturing, marketing and sales of professional sports products including footwear, apparel and accessories. Over the years, the company formed three brand groups: Performance Sports Brands, Fashion Sports Brands and Outdoor Sports Brands, empowering everyone who loves sports. By embracing an all-round brand portfolio including ANTA, FILA, DESCENTE, KOLON SPORT and MAIA ACTIVE, etc., ANTA Sports aims to unlock the potential of both the mass and high-end sportswear markets. ANTA Sports is also the largest shareholder of Amer Sports, Inc., a global group of iconic sports and outdoor brands, including Arc’teryx, Salomon, Wilson, Peak Performance, and Atomic, whose shares are listed on the New York Stock Exchange (NYSE: AS).

## VISION

TO BECOME A LEADING MULTI-BRAND SPORTSWEAR GROUP IN THE WORLD.

## MISSION

TO INTEGRATE THE SPORTS SPIRIT OF “GOING BEYOND ONESELF” INTO EVERYONE’S DAILY LIFE.

## THREE CULTURAL VALUES

- CONSUMER-ORIENTED
- BENCHMARKING AGAINST HIGH STANDARDS
- LEADING BY EXAMPLE



# RESULTS HIGHLIGHTS

## FINANCIAL PERFORMANCE

(For the six months ended 30 June 2024)



### REVENUE

Increased by 13.8% to

**RMB  
33.7 Billion**



### GROSS PROFIT MARGIN

Increased by 0.8% point to

**64.1%**



### PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS

Increased by 62.6% to

**RMB  
7.7 Billion**



### BASIC EARNINGS PER SHARE

Increased by 58.0% to

**RMB  
2.75**



### PAYOUT OF THE PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS

without the effect of non-cash accounting gain arising from equity dilution under the Amer Sports Listing\*

**50.1%**

\* Payout of the profit attributable to equity shareholders, with the effect of non-cash accounting gain arising from equity dilution under the Amer Sports Listing 39.9%.

## OPERATIONAL PERFORMANCE

(As at 30 June 2024)

### Performance Sportswear Category



Number of ANTA stores in Mainland China and overseas stood at

**7,073** (7,053\*)

Number of ANTA KIDS stores in Mainland China and overseas stood at

**2,831** (2,778\*)



### High-end Sports Fashion Category



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

**1,981** (1,972\*)



### High-quality Performance Sportswear Category



Number of DESCENTE stores in Mainland China, Hong Kong SAR, Macao SAR and overseas stood at

**197** (187\*)



### Outdoor Sportswear Category



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

**160** (164\*)



\* As at 31 December 2023

# FINANCIAL OVERVIEW

Six months ended 30 June	2024 (RMB million)	2023 (RMB million)	Changes (%)	
Revenue	<b>33,735</b>	29,645	▲	13.8
ANTA	16,077	14,170	▲	13.5
FILA	13,056	12,229	▲	6.8
All other brands	4,602	3,246	▲	41.8
Gross profit	<b>21,618</b>	18,755	▲	15.3
ANTA	9,106	7,912	▲	15.1
FILA	9,168	8,461	▲	8.4
All other brands	3,344	2,382	▲	40.4
Profit from operations	<b>8,660</b>	7,623	▲	13.6
ANTA	3,503	2,972	▲	17.9
FILA	3,731	3,638	▲	2.6
All other brands	1,375	985	▲	39.6
Profit for the period	<b>8,419</b>	5,294	▲	59.0
Profit attributable to equity shareholders				
– without the effect of share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing	<b>6,161</b>	5,264	▲	17.0
– with the effect of share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing	<b>7,721</b>	4,748	▲	62.6
Free cash inflow	<b>7,619</b>	9,523	▼	20.0
	(RMB)	(RMB)		(%)
Earnings per share				
– Basic	<b>2.75</b>	1.74	▲	58.0
– Diluted	<b>2.68</b>	1.70	▲	57.6
	(HK cents)	(HK cents)		(%)
Interim dividend per share	<b>118</b>	82	▲	43.9
	(%)	(%)		(% point)
Gross profit margin	<b>64.1</b>	63.3	▲	0.8
ANTA	56.6	55.8	▲	0.8
FILA	70.2	69.2	▲	1.0
All other brands	72.7	73.4	▼	0.7
Operating profit margin	<b>25.7</b>	25.7	–	–
ANTA	21.8	21.0	▲	0.8
FILA	28.6	29.7	▼	1.1
All other brands	29.9	30.3	▼	0.4
Net profit margin	<b>25.0</b>	17.9	▲	7.1
Margin of profit attributable to equity shareholders				
– without the effect of share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing	<b>18.3</b>	17.8	▲	0.5
– with the effect of share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing	<b>22.9</b>	16.0	▲	6.9
Effective tax rate <sup>(1)</sup>	<b>26.8</b>	27.2	▼	0.4
Advertising and promotional expenses ratio (as a percentage of revenue)	<b>7.5</b>	7.1	▲	0.4
Staff costs ratio (as a percentage of revenue)	<b>15.5</b>	15.5	–	–
R&D costs ratio (as a percentage of revenue)	<b>2.7</b>	2.3	▲	0.4

## Notes:

- (1) Effective tax rate does not include the effect of share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing.
- (2) Gearing ratio is equal to the total borrowings divided by the total assets at the end of the relevant period.
- (3) Return on average total shareholders' equity is equal to the profit attributable to equity shareholders divided by the average balance of total shareholders' equity.
- (4) Return on average total assets is equal to the profit attributable to equity shareholders divided by the average balance of total assets.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) Average balance aforementioned means the average of the balance as at 1 January and the balance as at 30 June of the relevant period.

As at 30 June	2024 (RMB)	2023 (RMB)	Changes (%)	
Shareholders' equity per share	<b>20.23</b>	17.19	▲	17.7
	(%)	(%)		(% point)
Gearing ratio <sup>(2)</sup>	<b>15.9</b>	16.5	▼	0.6
Return on average total shareholders' equity (annualized) <sup>(3)</sup>	<b>28.6</b>	23.0	▲	5.6
Return on average total assets (annualized) <sup>(4)</sup>	<b>16.4</b>	12.5	▲	3.9
Average total shareholders' equity to average total assets	<b>57.4</b>	54.4	▲	3.0
	(in 182 days)	(in 181 days)		(days)
Average inventory turnover days <sup>(5)</sup>	<b>114</b>	124	▼	10
Average trade receivables turnover days <sup>(6)</sup>	<b>19</b>	17	▲	2
Average trade payables turnover days <sup>(7)</sup>	<b>52</b>	42	▲	10

## Cautionary Statement Regarding Forward-Looking Statements

This *Interim Report 2024* 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 as "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".

# OUR BUSINESS MODEL

## Strategy

### SINGLE-FOCUS



### MULTI-BRAND



### GLOBALIZATION



## BUSINESS MODEL

Over 30 years, the Group has successfully developed itself from a traditional footwear manufacturer to a widely recognized global sportswear company with strong upstream, midstream and downstream capabilities. With a sophisticated vertically integrated business model, we are able to rigorously and effectively monitor and control our entire value chain, from design to R&D, manufacturing, marketing and sales of branded sportswear products, and to quickly respond to the differentiated needs of our consumers.

As we expand our businesses, in order to stay agile to the market changes, we adopt a hybrid operation model to fully capitalize on the advantages and positionings of our different brands. On the one hand, under the wholesale model and franchise business of ANTA's DTC model, we leverage our distributors, franchisees and their local knowledge to sell our products to end customers through the authorized retail stores they operate. On the other hand, under self-operated business of ANTA's DTC model as well as direct retail model of FILA and other brands, we directly operate retail stores, allowing us to be more sensitive to the change in demand of our customers.

# 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 2024.

### Enhancing Efficiency, Improving Quality, Advancing with Stability

Through determination and patience, even the most daunting challenges can be surmounted. Navigating the challenges and opportunities of 2024, we have remained steadfast in our strategy of "Single-focus, Multi-brand, Globalization". Guided by our principles of "Enhancing Efficiency, Improving Quality, and Advancing with Stability", we have demonstrated agility in the face of change, achieving steady growth and delivering commendable results that showcase our resilience and competitive edge.

Faced with market uncertainties and uncontrollable factors, we have honed our focus on the sportswear industry. Adhering to the principle of "Enhancing Efficiency", we have adopted a flexible "Dynamic Management" strategy to reduce costs and improve efficiencies, thereby enhancing the operational efficiency of our brands. We have also strengthened our organizational resilience to carve out certainty amidst uncertainties.

"Improving Quality" is the core driving force that underpins the long-term development of our business. We are committed to innovation, staying focus on executing our goals and brand positionings, and upholding longtermism as we navigate market cycles. The synergies and complementary advantages of our multiple brands have not only enabled "High-quality Growth" but also elevated our overall competitiveness and risk capacity.

Amidst a volatile external environment, we are more committed to sustainable operations management that emphasizes "Advancing with Stability". While reinforcing internal management and optimizing our business structure, we have also actively seized opportunities. We continued to invest in digitalization and introduced AI to drive business innovation. We nurtured core talent and explored potential regions for global business expansion in order to lay the groundwork for the Group's medium and long-term growth.

### Navigating Changing Environments with Confidence Backed by Innovation

During the financial period, the Group's business maintained steady development, achieving faster revenue and profit growth in the industry. The Group's revenue increased by 13.8% to RMB33.74 billion (2023 1H: RMB29.65 billion), further cementing our leading position among Chinese sportswear brands. Our overall gross profit margin rose by 0.8% points to 64.1% (2023 1H: 63.3%). With stringent cost control and enhanced operational efficiency, the overall operating profit margin maintained at 25.7% (2023 1H: 25.7%). On a consolidated basis, without the effect of share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing, the profit attributable to shareholders increased by 17.0% to RMB6.16 billion (2023 1H: RMB5.26 billion). On a consolidated basis, with the effect of the share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing, the profit attributable to shareholders increased significantly by 62.6% to RMB7.72 billion (2023 1H: RMB4.75 billion). Amidst market complexities, the Group's exceptional results highlighted its formidable operational capabilities.

Our Group is underpinned by a solid financial foundation with strong cash reserves and robust operating cash flow. During the financial period, net operating cash inflow of RMB8.50 billion (2023 1H: RMB10.16 billion) and free cash inflow of RMB7.62 billion (2023 1H: RMB9.52 billion) were recorded. As at 30 June 2024, the Group had an aggregate amount of cash and cash equivalents, fixed deposits held at banks with maturity over three months and pledged deposits of RMB47.83 billion (as at 31 December 2023: RMB48.52 billion).

The Group strived to share the fruits of its success with its Shareholders through sustainable dividend growth. In light of the Group's solid performance, the Board has declared an interim dividend of HK118 cents per ordinary share (2023 1H: HK82 cents) for the six months ended 30 June 2024, increased by 43.9% year on year. Ordinary dividend payout was 50.1% (2023 1H: 45.7%) of the profit attributable to equity shareholders, without the effect of non-cash accounting gain arising from equity dilution under the Amer Sports Listing.

The Group's "Multi-brand" strategy leverages a differentiated approach, fostering balanced development across all our brands. During the financial period, ANTA segment revenue increased by 13.5% to RMB16.08 billion (2023 1H: RMB14.17 billion), while its operating profit margin expanded to 21.8% (2023 1H: 21.0%); FILA segment revenue grew 6.8% to RMB13.06 billion (2023 1H: RMB12.23 billion), with operating profit margin slightly declining to 28.6% (2023 1H: 29.7%); revenue of all other brands surged by 41.8% to RMB4.60 billion (2023 1H: RMB3.25 billion), with operating profit margin of 29.9% (2023 1H: 30.3%), maintained at a stable level.

The successful listing of Amer Sports, Inc. on the New York Stock Exchange on 1 February 2024 stands as an inspiring milestone. As the largest shareholder of Amer Sports, Inc., we believe that Amer Sports, Inc. will make a significant contribution to the Group in the future, and further drive the Group towards achieving its "Globalization" strategy.

# CHAIRMAN'S STATEMENT

## Tiding over Challenges and Shining a Light on Every Passion

The highly anticipated Paris 2024 Olympic Summer Games came to a perfect close. As the brand having the longest partnership with the COC, ANTA has proudly supported Chinese athletes for 16 years, and our collaboration with the IOC has spanned 5 years. During the financial period, we continued to provide high quality equipment for Chinese athletes and launched the official uniform for victory ceremonies for the Chinese Sports Delegation at the Paris 2024 Olympic Summer Games. Made from recycled fiber, the uniform representing China's first carbon neutral official uniform to receive certification from third party, allowing our athletes to showcase Chinese culture, technology innovation, and sustainability on the global stage. Furthermore, with the ongoing expansion of the Group's multi-brand footprint and the advancement of our "Globalization" strategy, our products have reached more sports enthusiasts around the world, gaining recognition for ANTA among global consumers. We have also made steady progress in developing opportunities for FILA, DESCENTE, and KOLON SPORT across various sectors and markets. The healthy performance of our multiple brands reinforces our confidence in both the industry's outlook and the Group's future growth.

Regardless of the circumstances, we consistently uphold the spirit of "Keep Moving", aiming to become the leading multi-brand sportswear group in the world. Armed with a robust strategic focus and unwavering determination to navigate through the cycles, we remain committed to steering towards our established objectives and generating increased value for our Shareholders. On behalf of the Board, I extend my sincere gratitude to the Shareholders and partners who have accompanied us on our journey. At the same time, I wish to express my heartfelt appreciation to all stakeholders and employees who have joined hands with us on this journey.



**Ding Shizhong**

*Chairman*

Hong Kong SAR, 27 August 2024

# CONVERSATION WITH THE CHAIRMAN

## 01

### How does the Company view the current situation, considering the uncertainties in the macro-economy and consumer market, as well as the market's generally cautious attitude towards China's consumer industry?

Although the market may face some near-term challenges, we are confident about the industry and the Group's prospects. China is a country with a huge consumer market, among which the sports industry is still a high-growth sector. At the same time, the Group adheres to the strategy of "Single-focus, Multi-brand, Globalization" and adopts a flexible and efficient "Dynamic Management" approach which strengthens our risk capacity. Additionally, the Group's "Multi-brand" strategy enables us to better respond to market cycles and capitalizes on opportunities in different market segments, further consolidating our overall competitiveness.

Meanwhile, we have strategically increased our investment in e-commerce business to capitalize the flourishing online market in China. During the financial period, our e-commerce business continued to grow at a rapid pace, outperforming major competitors in the industry. This demonstrated our vision and effective execution in this regard.

In addition, the Group's "Multi-brand Synergistic Management Capabilities", "Multi-brand Retail Operations Capability" and "Global Operations and Resource Deployment Capability" will help us effectively address current challenges and provide a strong foundation for the Group's long-term sustainable growth.

## 02

### What are the Company's specific plans to advance its "Globalization" strategy?

With steady progress, the Group's "Globalization" strategy has become a driving force for our future growth. Prioritizing selected key regions, ANTA has successfully established direct retail operations in several core overseas markets. During the financial period, the pace of ANTA's retail market expansion and channel development in Southeast Asia has accelerated. While ANTA will continue to develop its business in China, it is strategically expanding its footprint in other key global regions such as Southeast Asia, North America, Europe, the Middle East and Africa. DESCENTE made its debut in Malaysia, opening its first store and marking a successful foray into emerging markets. DESCENTE plans to expand into other promising Southeast Asian markets in the future.

Our "Globalization" strategy is built on a foundation of deep market insight. The Southeast Asian market has immense potential and consumers in the region have a strong demand for differentiated brands. Therefore, we tailor our strategies to fit the unique consumption habits and preferences across different markets, deepening our localization efforts.

The Group is committed to bolstering its global operations and enhancing its resource integration capabilities. Our brand footprint, retail channels, R&D network and supply chain are all operating globally. We have established R&D and design centers in various locations, including the US, Europe, Japan, Korea, etc. We also collaborate closely with world-renowned scientific research institutions, universities as well as upstream and downstream suppliers to foster joint innovation, ensuring our products stay at the forefront of market trends. Furthermore, we have established an efficient international logistics network and regional warehouses overseas to expedite the delivery of our products to consumers.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Market Review

### Economy Grows Steadily Despite Moderate Consumer Sentiment

In the first half of 2024, China's economy experienced steady growth with moderate consumer sentiment. The National Bureau of Statistics of China reported year-on-year GDP growth of 5.3% and 4.7% in the first and second quarters of 2024, respectively. Despite facing various headwinds, the country is on course to meet its annual growth target of 5.0%.

The consumer industry experienced a robust start, with a retail boom in January and February 2024. However, heightened economic uncertainties subsequently led to a weaker than expected domestic demand recovery and persistent consumer caution. In the first half of 2024, the total retail sales value of consumer goods reached RMB23.6 trillion, reflecting a 3.7% year-on-year increase. The sales value of garments, footwear, hats, and textiles demonstrated modest growth, increasing by 1.3% as compared with the same period last year.



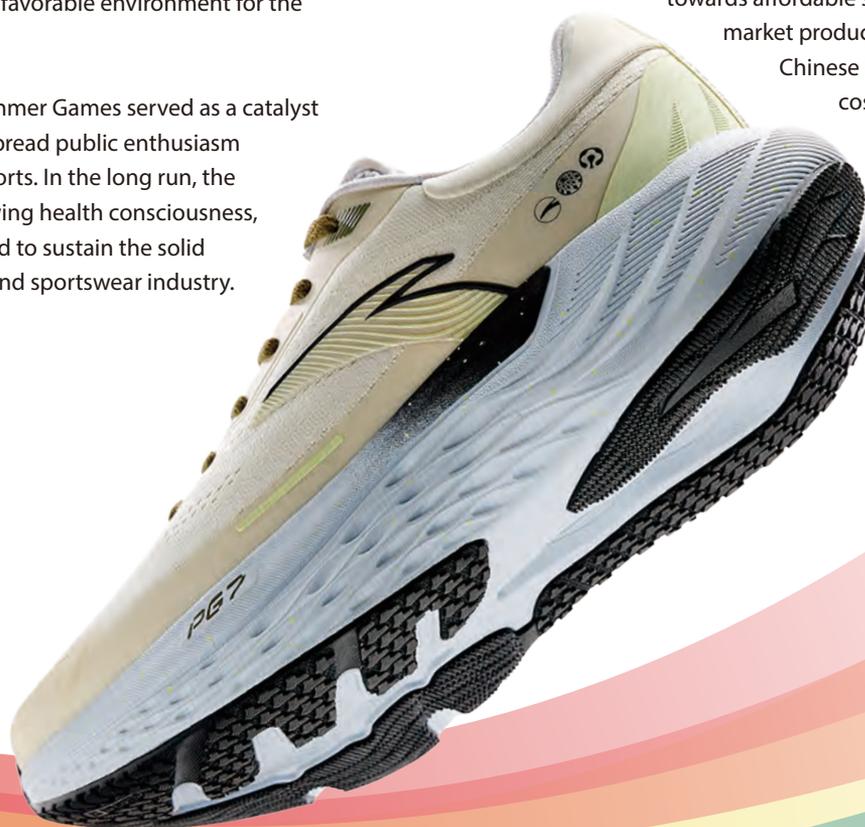
## Strong Enthusiasm for Sports Fuels Industry Growth with Policy Support

Amidst economic challenges, the Chinese government has proposed several support measures. During the Two Sessions in March 2024, the central government presented a work report emphasizing the expansion of domestic consumption, promotion of a healthy economic cycle, and enhancement of coordination between consumption and investment to boost consumer confidence and revitalize China's retail market. Further support came from the Central Economic Work Conference in June 2024, where the government advocated for the strengthening of the sportswear industry through new consumer products and the creation of growth drivers via sporting events and domestically produced "Guochao" products. The government's proactive stance created a favorable environment for the industry's development.

Furthermore, the Paris 2024 Olympic Summer Games served as a catalyst for the sportswear sector, igniting widespread public enthusiasm and driving increased participation in sports. In the long run, the combination of supportive policies, growing health consciousness, and rising sports engagement is expected to sustain the solid fundamentals of both China's economy and sportswear industry.

## Persistent Divergence in Consumption

The consumer market was exhibiting a divergence between high-end and mass market segments. Consumers pursued rational consumption, choosing either high value-for-money or high-end products based on their specific needs. Consequently, both high-end luxury brands and value-for-money brands experienced faster growth. Brands addressing essential needs and those offering experiential consumption also outpaced the broader consumer market. Consumer groups also showed signs of divergence. High-income groups, lower-tier markets and Generation Z maintained relatively optimistic attitudes towards consumption. Affluent consumers prioritized quality, functionality and uniqueness, fueling the rise of high-quality and niche sportswear brands. Conversely, value-conscious consumers leaned towards affordable substitutes. Therefore, mass-market products demonstrated resilience, with Chinese brands leveraging a significant cost-performance advantage.



# MANAGEMENT DISCUSSION AND ANALYSIS



In the realm of sports, running continued to dominate China's mass participation. The rising demand for high-quality equipment from runners propelled the industry to focus on technological innovation, product upgrade, and the introduction of items equipped with improved functionality and attractive designs. Meanwhile, niche sports such as golf and tennis began to gain traction, forming notable scale and showing sustained growth. Moreover, the evolution of outdoor clothing has captured increasing interest among urban outdoor enthusiasts, leading high-end outdoor brands to thrive. Additionally, the segmentation of sports scenarios catalyzed diversity in development within public sports participation, resulting in robust growth in running, yoga, outdoor brands, and outdoor product series of certain brands.

## Flourishing of New Social E-commerce Platforms

Despite challenging macroeconomic conditions, the e-commerce sector thrived and remained as a key industry driver, thanks to the fiercely

competitive and rapidly growing e-commerce market, which has been gaining shares in the China consumption market in the last few years. In the first half of 2024, China's online retail sales of physical goods reached RMB5.96 trillion, marking a year-on-year increase of 8.8% and accounting for 25.3% of the total retail sales of consumer goods.

During the financial period, we strengthened our collaboration with traditional e-commerce platforms while actively exploring emerging channels, paving the way for the robust development of our e-commerce business. Revenue of e-commerce business of all brands increased by 25.1% compared with the same period of 2023 in terms of absolute amount and contributed 33.8% (2023 1H: 30.8%) of the overall revenue of the Group. Generation Z, who actively seek social recognition, were particularly drawn to emerging social e-commerce platforms and value high-quality content and experiences. To align with these market trends, we assembled a dedicated live broadcast team to create compelling content promoting popular products on these platforms, thereby enhancing our brand reputation and driving rapid growth for our e-commerce business.

## Business Review

### BRAND MANAGEMENT

#### ANTA

As the leading brand in the Chinese sportswear industry, ANTA adheres to the core strategy of “Mass Market Positioning, Breakthroughs in Performance Sports, and Fostering Brand Transformation and Growth”, catering to a broad spectrum of sports categories. Empowered by technology, the brand offers a wide array of sports products, ranging from popular sports to professional and niche sports such as running, basketball and outdoor sports, in order to satisfy the diverse consumer needs for sporting products.



In running, following the signing of Kenenisa Bekele, the legendary Ethiopian long-distance runner, ANTA has expanded its professional running shoe portfolio, offering runners a more diverse range of products. ANTA's professional running shoe series has evolved over time, resulting in multiple product lines tailored to the unique needs of different runners. For instance, the C202 5 Lite, which is designed for speed training, has gained recognition in the professional running community. The ANTA Mach 4 remained steadfast in its focus on speed running and continued to drive innovation



# MANAGEMENT DISCUSSION AND ANALYSIS

and development. Embracing the “Perfect for Various Scenarios” design concept, it introduced an upgraded propulsion system that empowers runners to achieve higher performance. In addition, the brand has also established the ANTA C Running Club, a running community that serves as a platform for runners to communicate and train together. Furthermore, ANTA organized marathon preparation races across various cities to foster a running culture.

ANTA always places a strong emphasis on enhancing product performance by leveraging cutting edge technologies to strengthen product functionality. During the financial period, ANTA collaborated with Sinopec Group to jointly develop the PG7 shock-absorbing midsole technology and launched two value-for-money shock-absorbing running shoes – TRAVEL and JOURNEY. ANTA also upgraded and optimized the shoe uppers by incorporating Sorona® fibers, bringing unparalleled and comfortable experience to runners.

During the financial period, ANTA continued optimizing its basketball product portfolio. Collaborating with the brand ambassador and Chief Creative Officer, Kyrie Irving, ANTA launched Kyrie’s first signature basketball shoe – the ANTA KAI 1, which gained tremendous traction. In addition, ANTA also upgraded its other basketball shoe series, introducing the SCALPEL 1 and SHOCK WAVE 6. Both models feature ANTA NITROEDGE technology and boast reinforced uppers designed for outdoor play. The SHOCK WAVE 6 PRO,

serving as the team’s flagship model, features the debut combination of NITROEDGE PRO technology paired with full-length NITROEDGE technology, elevating the overall performance of the product.

In terms of channels, the brand moved away from the one-format-fits-all approach across our stores to better meet different types of consumer demands. ANTA continued to bolster its presence in the high-end market and prime shopping districts by opening strategic flagship stores with new store designs such as “Arena” and “Palace” in key cities to enhance market penetration. For niche markets, ANTA has established vertical category stores such as “ANTA Champion” and “ANTA SNEAKERVERSE” to cater to needs of niche customer groups. For the mass market, ANTA has introduced the brand new “ANTA Super Store”, positioned as professional all-category sports stores. Apart from a fresh look for the stores, the stores also offer a series of specially customized products to provide a unique consumer experience for the wider public. ANTA has also intensified its efforts in overseas markets, expediting expansion into Southeast Asian countries, including Thailand, the Philippines, Malaysia and Singapore.

In e-commerce, in addition to enhancing its presence on existing platforms, ANTA also expanded to emerging ones to broaden its market reach. We have established flagship and specialty stores across these platforms, curated e-commerce-exclusive products, and introduced differentiated offerings to meet varied consumer needs. Furthermore, we have also collaborated with well-known e-commerce IPs such as “Super Brand Day” and “Hey Box” to increase brand visibility and generate buzz around events.

As at 30 June 2024, over 80% of ANTA and ANTA KIDS stores in China have adopted the DTC model. The remaining were operated under wholesale model. Under the DTC model, around 42% of approximately 5,600 of ANTA stores and around 64% of approximately 2,300 ANTA KIDS stores were directly operated by us. The remaining 58% ANTA and 36% ANTA KIDS stores were operated by franchisees under our operating standards.





## ANTA KIDS

As an industry-leading children's professional sports brand, ANTA KIDS is dedicated to delivering high-quality and technology-driven professional sports equipment that cater to children's demand for sportswear across diverse sporting scenarios, including professional competitions, training sessions, physical education classes, outdoor sports, running and basketball. As consumer expectations evolve, parents are seeking increasingly sophisticated and specific sporting products for their children, propelling ANTA KIDS to continually innovate and provide more functional products with higher quality that align with market needs.

During the financial period, ANTA KIDS continued to expand its range of footwear and product categories to cater to the diverse needs of children. Through forward-thinking product R&D strategies, we continued to enhance the functionality, stability and comfort of our products, creating superior professional sporting equipment. In particular, ANTA KIDS continued to optimize and advance its proprietary technology "Resilient Elastic", specifically designed for children, further improving the cushioning and resilience of our running shoes. The launch of its 6th generation of the "Wind-Riding" running shoes was dedicated to enhancing children's experience.

ANTA KIDS has increased its investment in the field of children's professional basketball. On one hand, the brand has forged a strategic partnership with the national U14 CYBL Youth Basketball League. On the other hand, it has launched the new "ANTA KIDS Youth Wildness" basketball shoe series, specifically designed to enhance children's performance in both basketball training and competitive events.

To better address children's outdoor sun protection needs, ANTA KIDS launched the "Mint Jacket" sun protection clothing series during the financial period. This collection features high-tech fabrics and designs that offer superior shading, breathability and comfort to provide children with more professional and safer outdoor sportswear options.

To expand its consumer base, ANTA KIDS actively responded to the needs of teenagers and continued to improve the sporting scenarios covered by ANTA T-AGE. During the financial period, ANTA T-AGE unveiled the ANTA KAI 1 Kids Edition, as well as an outdoor adventure-themed series in collaboration with *China National Geographic* that blends low-carbon principles with technology, including products such as "ANTA Storm Mecha LT" and the "ANTA T-AGE parachute pants".

ANTA KIDS continued to build a sports community that encompasses children of all ages, through both online and offline channels. For online, ANTA KIDS leveraged social platforms such as TikTok to host numerous themed activities focused on children's sports, like the TikTok Super Day. For offline, ANTA KIDS consistently facilitated children's engagement in sports by organizing the "Play Makes Your Day" training camp and a diverse array of sports classes, including running, basketball, outdoor sports, balance bikes, and more. This community building enabled ANTA KIDS to broaden its consumer base, solidifying its leading position in Chinese children's sports market.

# MANAGEMENT DISCUSSION AND ANALYSIS



## FILA, FILA KIDS AND FILA FUSION

FILA, along with FILA KIDS and FILA FUSION, is positioned as a high-end athletic fashion brand that targets high-end consumers across a wide range of age groups. The brand upholds its core strategy of “Top-notch Products, Top-notch Brands and Top-notch Channels”.

FILA continued to enhance its brand attributes of “Performance Sports” and “Fashion Mindset”, offering sports enthusiasts with high-performance and

fashionable products, and placing significant emphasis on the presentation and experience of technology in product promotion. During the financial period, FILA GOLF collaborated with the Palace of Versailles to launch a licensed collection. FILA also forged partnerships with the Louvre and Centre Pompidou, the world’s premier art centers, to expand its crossover series, blending art into FILA’s product design, accentuating the allure of high fashion and reinforcing consumers’ perceptions of FILA as a professional and fashionable sports brand.

In terms of core product offerings, FILA focused on four types of sports, including tennis, golf, skiing and outdoor sports, actively optimizing the differentiation among various series to meet the needs of different customer groups. The brand actively expanded its product range, particularly focusing on functional products, with the proportion of footwear steadily increasing. FILA’s popular series, including the “FLUID” and “MARS”, along with the distinctive, croissant-inspired fashion sneaker, have been well-received by consumers. During the financial period, FILA introduced the “NUVOLE” running shoes and the “LYNX” trail running shoes, establishing an initial presence in the running shoes market.

In terms of channel deployment, FILA optimized its existing stores to engage with consumers across diverse scenarios. The brand also continued to expand its e-commerce business, driving online growth through enhanced social media marketing and increased traffic on private domains and its official website. Additionally, FILA actively explored emerging platforms, successfully spurring online business growth and establishing itself as an industry benchmark.





FILA KIDS offers high-end children's sportswear, carving out a distinctive niche in the high-end kids wear market. During the financial period, FILA KIDS continued to adhere to its high-end and professional positioning, consistently creating high-quality and personalized professional sporting products. The brand continued to intensify its focus on the development of children's professional sports products, with an emphasis on outdoor sports such as tennis, golf, and skiing. In collaboration with the French National Museum, FILA KIDS released a tennis collection in tribute to the famous Dutch painter, Mondrian, reinforcing the brand's fusion of fashionable artistry and professional sports DNA.

FILA KIDS was dedicated to fostering a children's community through FILA KIDS Club, providing various information on tennis activities, tennis training camps, and tennis competitions. In an effort to broaden the brand's influence and awareness, FILA KIDS actively collaborated with large-scale major children's sporting event, including sponsoring the 2024 FILA KIDS Diamond Cup Junior Tennis Challenge during the financial period, promoting youth tennis development in China.



FILA FUSION is a youth lifestyle brand under FILA. To expand its influence on young people, FILA FUSION has appointed renowned actor, Wang Xingyue as its brand ambassador and launched stylish and functional collections – the URBAN TECH urban exploration series and WORKWEAR street sports series. In terms of community development, FILA FUSION established FUSION PARK, a vibrant and dynamic sports community that offered young people a new and cool sports experience while fostering social connections. By fusing skateboarding and music, FILA FUSION aimed to create a fashionable IP that appeals to young street enthusiasts.

Since 2023, FILA FUSION has served as the official partner and sports equipment sponsor of the China National Skateboarding Team, designing footwear and apparel for the Chinese National Skateboarding Team competing in events. In terms of stores, FILA FUSION has introduced BLUE BOX, a trendy sports concept stores nationwide, providing consumers with an enhanced shopping experience.

# MANAGEMENT DISCUSSION AND ANALYSIS



## DESCENTE

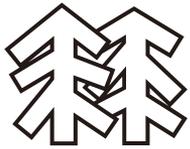
DESCENTE embraces the design-driven sports spirit of “DESIGN THAT MOVES” and positions itself as a high-end and high-quality professional sportswear brand. With a brand legacy spanning nearly 90 years, DESCENTE prioritizes technological innovation and professionalism, blending functional aesthetics with meticulous craftsmanship to elevate sports performance. During the financial period, DESCENTE continued to develop a high-quality and diversified product portfolio to address the needs of diverse professional sports segments.

DESCENTE established an innovation and R&D center to proactively drive product innovation and optimization in design. It introduced cutting-edge technology products including DESCENTE ONE-STROKE DESIGN, snowboard apparel and BODY FLEX, creating a differentiated product portfolio. At

the same time, product lines in skiing, golf and triathlon continued to lead DESCENTE’s sales growth. The brand placed a strong emphasis on developing signature golf products, exemplified by the launch of GOLF CONDOR shoes and Double Chill T-shirts, in order to strengthen its market position in the golf sector. Recognizing triathlons as one of its core sports, DESCENTE collaborated with professional triathletes to develop professional running and cycling equipment for both triathletes and elite runners.

To enhance brand reputation, DESCENTE focused on elevating communication content quality, innovating communication channels, and deepening engagement with elite and vertical circles to expand its reach to potential consumers. The brand launched the “CARVE MY MOVEMENT” community initiatives, integrating new product promotions with store aesthetics to create an immersive community experience. The urban concept store in Shanghai features DESCENTE’s first-ever D-MOVER’s Care Center in China, demonstrating the brand’s meticulous care for customers and its confidence in product quality. DESCENTE’s dedicated community platform, D-MOVERs, organized community events such as urban cycling and outdoor running, featuring coaches and race ambassadors who share expert insights. This platform also offered online live courses, integrating online and offline channels to deliver professional content to sports enthusiasts.

DESCENTE remained dedicated to upgrading its premium retail model and optimizing its channel structure. During the financial period, DESCENTE enhanced store efficiency through store upgrades, successfully penetrating into higher-priced market segments with its core product offerings. DESCENTE has opened China’s first urban concept store in Shanghai, combining its sports store with BLANC. This innovative retail model offered consumers a diverse product range and a cutting-edge retail experience. In terms of online channels, DESCENTE prioritized high-quality content creation, enhancing live streaming and short video content while expanding its presence on high-growth live streaming and social media platforms. A collaboration with Tmall Hey Box’s Super Brand Day facilitated the launch of new products from the AWAKEN collection, amplifying brand visibility and event impact.



KOLON SPORT

## KOLON SPORT

Since its establishment in 1973, KOLON SPORT has actively championed its brand philosophy of “YOUR BEST WAY TO NATURE”, fostering harmonious coexistence between individuals and nature. Leveraging its commitment to premium standards and professionalism, the brand promotes a quality lifestyle that integrates seamlessly with nature. It positions itself as a premium outdoor lifestyle brand, adeptly balancing fashionable design with functionality.

During the financial period, KOLON SPORT enhanced its product portfolio, focusing on both camping and hiking segments to establish an exclusive range of all-terrain, all-altitude waterproof jackets to meet various outdoor needs, from extreme snow mountains, mountain hikes, and forest camping to daily commuting. The brand unveiled its professional high-altitude hiking jacket, the GAIA Resilience Hardshell Jacket, featuring exceptional elasticity and flexibility to meet the burgeoning market demand for high-performance outdoor apparel. The introduction of the MOVE ALPHA hiking shoes, incorporating state-of-the-art technology, exemplifies our proficiency in synthesizing outdoor functionality with distinctive fashion aesthetics. KOLON SPORT’s collaboration with trail runner, Jin Yuan, underscored the brand’s endorsement to promoting outdoor professionalism. The organization of the Donghai Yunding Trail Race in Ninghai, Zhejiang, further solidified our commitment to curating elevated outdoor experiences for enthusiasts.

To enhance brand recognition, KOLON SPORT established a brand circle of influencers, leveraging the credibility of spokespersons, elite athletes, and outdoor experts to bolster its professional reputation and generate influential impact. Additionally, KOLON SPORT upgraded its “KOLON ROAD LAB”, which brought together outdoor enthusiasts who align with the brand’s ethos. These community events further reinforced the brand’s leadership position in the outdoor market.

Actively exploring high-quality markets has been a top priority for KOLON SPORT’s brand development. During the financial period, the brand expanded into prime shopping areas and accelerated expansion in emerging markets such as Eastern and Southern China. It focused on securing store locations that align with the brand’s premium positioning, in order to enhance brand equity and market penetration. Concurrently, KOLON SPORT advanced its store image transformation, focusing on enhancing the offline shopping experience and boosting in-store conversion rates. Moreover, KOLON SPORT collaborated with multiple e-commerce platforms, amplifying its online visibility through live-streaming and online marketing campaigns. These efforts resulted in sustained growth of the e-commerce business and a significant rise in the brand’s outdoor rankings across online platforms.

# MANAGEMENT DISCUSSION AND ANALYSIS



## Supply Chain Management, Innovation and Digitalization

To advance sustainable raw material procurement, ANTA Sports implemented increasingly stringent requirements for raw material traceability. During the financial period, the Group joined organizations such as the Leather Working Group (LWG) and Cascale, a sustainable apparel coalition. This ensures that the leather used in ANTA and FILA's footwear products, along with their respective leather suppliers, are all 100% LWG Gold certified, with over 90% of the leather materials traceable back to their origin.

The Group also joined the Zero Discharge of Hazardous Chemicals (ZDHC) organization and has developed and disclosed the "ANTA Sports Chemicals Management Manual". During the financial period, we released a supplier list to improve the disclosure and management system of the supply chain.

We actively developed innovative technologies, implementing measures in areas such as innovation strategy analysis, resource coordination, project operations, as well as talent and culture development to enhance consumer satisfaction and product quality. During the financial period, we launched key technologies and products such as AEROVENT, Soft Yarn, C10 Pro, etc. Internally, the Group established "Action Innovation Fund" to encourage internal innovation and cultivate creativity. Externally, we formed partnerships to enhance the product technologies, including a strategic agreement with Dow for joint in-depth R&D cooperation. We also launched the ANTA Global Open Innovation Ecological Network platform, inviting internationally renowned universities, research institutions, and industry partners to participate. This initiative aims to foster robust connections and facilitate regular communication and exchanges among participants, expediting industry innovation and propelling the industry to new heights.

The Group actively enhanced production efficiency through digital management. Its consumer-centric digital strategy shaped brand-specific sales approaches around people, goods, and stores, focusing on improving operational efficiency, reducing costs, addressing consumer needs, and driving growth. The Group digitally empowered our closed-loop management system for store operation analysis, identifying pain points, and implementing improvement measures, thereby reducing store inspection time and enhancing management efficiency. Through centralized and nationwide inventory monitoring, the Group consolidated product demands across various regions to recommend suitable items to our consumers.

To enhance product and service quality, we integrated AI technology into our operations, focusing on product design and live-streaming. In product design, AI-powered prototype printing significantly reduced physical prototyping needs, boosting R&D efficiency. For live-streaming, we deployed AI-powered virtual hosts to conduct real-time audience engagement, in order to enhance consumer experience and conversion rates.

During the financial period, ANTA's self-produced footwear and apparel accounted for 29.4% and 11.0% respectively, out of our total sold quantities (2023 1H: 18.7% and 9.7%). FILA's self-produced footwear and apparel accounted for 9.9% and 3.9% of our total sold quantities (2023 1H: 7.1% and 3.7%).

## Sustainability and Human Resources Management

During the financial period, the Group achieved notable milestones in sustainable development, with its ESG initiatives earning international acclaims and positioning it as a leader in the Chinese sportswear industry.

In collaboration with the COC, ANTA launched the official uniform for victory ceremonies for the Chinese Sports Delegation. The uniform was crafted from eco-friendly and recycled fiber, representing China's first carbon-neutral official uniform to receive certification from third party. Furthermore, "ANTA ZERO", the first carbon-neutral retail store in the Chinese footwear and apparel industry certified by third party, was opened in Shanghai. It is committed to achieving carbon reduction goals from product manufacturing to operations. In addition to participating in the formulation of the *Technical Specification for Carbon Neutral Textile Evaluation* led by the China National Textile and Apparel Council, the Group has also led the development of the group standard *Technical Specification for Sustainable Product Evaluation – Footwear*, which has been approved and officially released by the China National Light Industry Council. It has played a pivotal role in both promoting the industry's green transformation and contributing to the standard-setting process.

During the financial period, the Group's greenhouse gas emissions reduction target has been certified by the Science-Based Targets initiative (SBTi). ANTA Sports has set 2022 as the baseline year and committed to reducing its Scope 1 and Scope 2 greenhouse gas absolute emissions by 42.0% by 2030, while also aiming to reduce its Scope 3 greenhouse gas emissions by 51.6% (calculated per USD value added). Furthermore, as at 30 June 2024, the Group encouraged over 140 suppliers to use clean and renewable energy, and have assisted them in obtaining green certifications. It also established a carbon assessment data management system and launched an online ESG data collection platform for its supply chain, supporting suppliers to digitally collect carbon emissions and energy usage data. Meanwhile, the Group has joined the Social & Labor Convergence Program (SLCP) to enhance the level of social responsibility performance management in the supply chain.

We partnered with the World Wildlife Fund (WWF) to promote biodiversity conservation. As a participant member of the United Nations Global Compact (UNGC), we pledged to support the 10 Principles of the UNGC as well as our unwavering support to the realization of 17 SDGs of the United Nations. During the financial period, we introduced *Biodiversity Conservation Policy* to appropriately integrate biodiversity considerations into our business operations. Additionally, we also became a global partner of the United Nations High Commissioner for Refugees, a signatory member of the United Nations *Women's Empowerment Principles* (WEPs), and supported various United Nations-led sustainable development initiatives and pilot projects.

In addition to donating cash and sportswear products, through "Sturdy Growth Charity Project", we trained over 6,800 physical education teachers, donated 185 ADream Centers and 50 ANTA fields, and organized 17 ANTA camps, benefiting over 7.20 million teenagers.

For Human Resources Management, the Group values employee diversity and has established the position of Chief Diversity Officer, concurrently held by the Chief Human Resources Officer, who is responsible for formulating and implementing diversity and inclusion measures. In 2024, the Group was selected as the *China's Top 100 Happy Enterprises*, in recognition of its efforts and contributions.

During the financial period, we also implemented *Occupational Health and Safety Management Policy* to drive improvements in workplace safety management, with an aim of fulfilling corporate social responsibilities, mitigating occupational health and safety risks across business operations, and safeguarding the physical and mental well-being of our employees. As at 30 June 2024, we had approximately 62,000 employees (at the end of 2023: 60,500 employees).



# MANAGEMENT DISCUSSION AND ANALYSIS

## Internal Management

### Legal Compliance

To the knowledge of the Directors and management, we are not aware of any non-compliance of laws or regulations resulting in a significant impact on the Group.

As part of our corporate governance practice, the Audit Committee regularly reviews and monitors the Group's policies and practices in compliance with legal and regulatory requirements.

### Relationship with Stakeholders

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

### Environmental Protection Measures

We understand that the environment has a long-lasting impact on our future development. We take up responsibility for the environment, promote energy conservation, emissions reduction and green operation, and work with upstream and downstream partners to jointly tackle the risks of climate change. We continue to promote green products and sustainable logistics. We promote green office, and enhance the environmental protection awareness of employees and their families through various employee activities.

For further details of our measures in environmental protection, please refer to the Company's *Environmental, Social and Governance Report 2023*.

## Principal Risks and Uncertainties Facing the Group

### Strategic Risk

#### *Economic Environment Risk*

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

#### *Globalization Risk*

When expanding overseas, enterprises should comply with the laws and regulations, technical standards, and other policies of the import and export countries; and any breach may cause an adverse impact on the Group's operations.

There are significant differences among countries in terms of population, culture, religion, law and regulations, and consumer habits. In the process of global expansion, the Group may be hindered by its failure to obtain sufficient and accurate understanding of the local characteristics.

#### *Technical Environment Risk*

The rapid development of technologies, materials, and craftsmanship is having a significant impact on product technique upgrade, supply chain management and sales model for sportswear. It would result in an adverse impact on the operations if the Group fails to adapt with the uncertainties arising from technical progress, product innovation and other relevant factors.

### ***Distribution Channel Risk***

In the omni-channel era, consumers and enterprises will have different touchpoints. Channel is no longer a concept that refers merely to retail stores. It also covers various social media, application scenarios, and after-sales services that can offer different consumer experiences. If the Group fails to fulfil consumer needs and determine the functions of different channels appropriately, it would have an adverse impact on the operations.

## **Market Risk**

### ***Risk of Changes in Consumer Structure and Consumption Behaviour***

In terms of the current consumption trend, 90s-95s have become the major consumer groups; the potential of female market is being unleashed; the demand for outdoor sports products is growing rapidly; and changes in the consumer structure and consumption behaviour are having a significant impact on enterprises. If the Group fails to fully consider changes in market demand and adjust its marketing layout in a timely manner, it would have an adverse impact on the operations.

### ***Competition Risk***

Increasingly tense competition in the domestic sportswear industry could be reflected by the expanding scale and continuous concentration of the industry, and the rapid expansion of international clothing brands across China. The nature of this competition has shifted from a focus on quantity and price to new attributes such as state-of-the-art technology and value-added products. Although the Group has maintained the leading position in the China sportswear market, the Group acknowledges that further intensified market competition may impact future revenue and profitability to a certain degree.

## **Policy Risk**

### ***Risk of Foreign Exchange Policy***

While the Group's businesses in Mainland China are denominated in RMB, offshore businesses are denominated in other currencies. Currently, RMB is a managed floating currency which is adjusted by reference to a basket of foreign currencies. The conversion rates of RMB into other currencies are subject to market fluctuations and are impacted by global economy and political conditions. Changes in foreign exchange rates affect the value of the Group's assets, liabilities, revenue and expenses, which are denominated in other currencies, and may impact the Group's financial position and performance.

### ***Risk of Foreign Investment Policies***

As at 30 June 2024, the Group has invested in Amer Sports through holding certain equity interests in Amer Sports, Inc. Amer Sports is an international sports brand group with internationally recognized brands including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, etc. As outbound investment involves many relevant policies and regulations of China and overseas, any subsequent changes in relevant laws, tax policies, foreign exchange policies and financial policies may have an adverse impact on the Group's investment value.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Operational Risk

### *Consumer Experience Enhancement Risk*

The market has entered an era of experience economy, and personalisation of consumer needs and diversification of retail scenarios make consumer experience a key factor in brand and product selection. Consumer experience enhancement is conducive to better strengthening brand loyalty. If the Group fails to deliver an all-rounded consumer experience through various touchpoints, it would have an adverse impact on brand development.

### *Product Innovation and R&D Risk*

The Group focuses on the branded sportswear business, and consumers have a certain level of demand on product function and style. Consumer preferences for fabrics and clothing styles change at a rapid pace, and our product development ability to adapt to these preferences would affect the sales performance of our products.

### *Risk from Counterfeit Brands*

Brand is a key consideration that consumers take into account when buying sportswear products. There are a number of unscrupulous manufacturers that counterfeit well-known brands and conduct illegal sales, which has an adverse impact on the brands they replicate. As brands and sportswear products under the Group are well-regarded in the domestic market, the Group has proactively adopted a number of different safeguards to protect the self-owned IP rights, but it is difficult to identify every infringement immediately. If the Group's products were counterfeited on a mass scale in the future, there would be an adverse impact on our brand image and profitability.

### *Production Safety Risk*

Due to the particularity of the sportswear manufacturing, fire prevention of manufacturing facilities is especially important. The glue used in the production process, semi-finished products and finished products are flammable, and fire would affect production directly and cause an adverse impact on the Group's (and suppliers') operations.

### *Risk of Channel Costs Increase*

For brick-and-mortar business, the Group adopts a hybrid business model combining wholesale and retail for different brands, including DTC model and direct retail model. Should retail shop rents and staff costs increase, profitability of the Group, distributors and franchisees would be reduced.

Also for e-commerce business, profitability of the Group would be reduced when e-commerce platforms and social media e-commerce channels related costs increase.

### *Risk of Cross-Region Operation*

Consumer groups' purchasing power and consumption preferences are different among different regional markets. Currently, the Group's business locates in multiple areas in China as well as some overseas markets, and it is under fast, steady and healthy development. The cross-region operation and business development bring in higher requirements on the Group's existing organizational structure and managerial system. Therefore, potential internal management and operation risks could exist.

### ***Force Majeure Risk***

In case of an uncontrollable change in external market and environment (for instance, a potential natural disaster or political and economic issues in China and foreign countries), it would have an adverse impact on the Group's operations, and the Group may not be able to raise sufficient capital resulting in negative impact on sufficient repayment for all borrowings on time.

## **Management Risk**

### ***Subsidiaries Management Risk***

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

### ***Risk of Brand Reputation***

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

### ***Supplier Management Risk***

Despite the strict selection mechanisms and quality control system towards suppliers, the Group's business may be affected by numerous factors relating to the suppliers, including the quality of raw materials provided, the timing of product deliveries, transportation capabilities and management capabilities, among others. Cases where the quality of raw materials fails to meet the Group's standards; quality inspection departments are not able to identify defective products in time; products are not delivered on time, to the right location or in the right quantity; and products are lost or damaged during delivery, would all have adverse impacts on the Group's operations. Furthermore, the Group's operation would also be adversely affected by suppliers' liquidity problems or credit deterioration.

### ***Risk from Talent Shortage and Loss of Talent***

The branding of sportswear industry, the digitalization upgrade and the optimization of supply chain require many talents who specialize in brand management, product planning, product design, information management and supply chain management. However, there is a shortage of relevant professional talents in China, and a large-scale loss of those kinds of talents in the future would adversely impact the Group's operations.

### ***Risk from Logistic Management***

The Group primarily rely on third-party logistics companies to transport products, and face challenges in logistic management due to the significant number of existing logistics company partners. If there are any negligence or mistakes by any logistics companies, resulting in any delay or error on supply of certain products, or even causing product damage, the Group's operations would be adversely affected. Should any incidents occur, such as traffic accidents, natural disasters or strikes, among other issues, the product supply may be temporarily interrupted, meaning that the Group would not be able to deliver products to customers, stores, distributors and franchisees in time. This would have an adverse impact on the Group's operations.

*(Certain risks were considered as major risks for the financial period based on the risk assessment by management. For the related countermeasures, please refer to the Company's Annual Report 2023 "Risk Management Report".)*

# MANAGEMENT DISCUSSION AND ANALYSIS

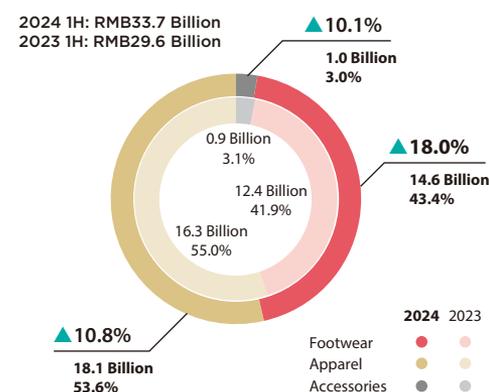
## Financial Review

### REVENUE

#### Breakdown by Product Category

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

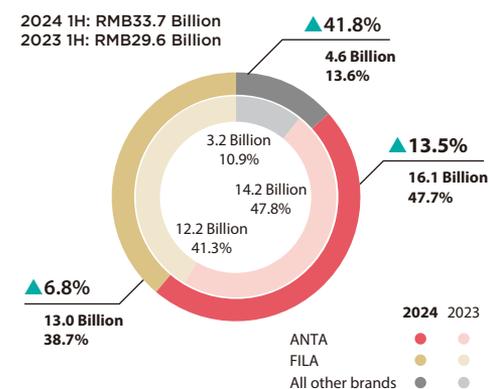
	Six months ended 30 June				Changes	
	2024		2023			
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)		(%)
Footwear	14,635	43.4	12,407	41.9	▲	18.0
Apparel	18,082	53.6	16,313	55.0	▲	10.8
Accessories	1,018	3.0	925	3.1	▲	10.1
<b>Overall</b>	<b>33,735</b>	<b>100.0</b>	<b>29,645</b>	<b>100.0</b>	<b>▲</b>	<b>13.8</b>



#### Breakdown by Segment

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

	Six months ended 30 June				Changes	
	2024		2023			
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)		(%)
ANTA	16,077	47.7	14,170	47.8	▲	13.5
FILA	13,056	38.7	12,229	41.3	▲	6.8
All other brands	4,602	13.6	3,246	10.9	▲	41.8
<b>Overall</b>	<b>33,735</b>	<b>100.0</b>	<b>29,645</b>	<b>100.0</b>	<b>▲</b>	<b>13.8</b>



During the financial period, the Group's revenue increased by 13.8% as compared with the same period of 2023 to RMB33,735 million (2023 1H: RMB29,645 million), which was mainly attributable to (i) constant promulgation of favorable policies to boost domestic demand in Mainland China; (ii) the Paris 2024 Olympic Summer Games which stimulated public enthusiasm and participation in sports; and (iii) growth of e-commerce business.

## REVENUE (Continued)

ANTA segment contributed 47.7% of the overall revenue to the Group. The segment revenue increased by 13.5% as compared with the same period of 2023 to RMB16,077 million (2023 1H: RMB14,170 million), which was mainly attributable to (i) growth of e-commerce business; and (ii) the continuous enhancement of product performance, strengthening product functionality with a better experience for the consumers.

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

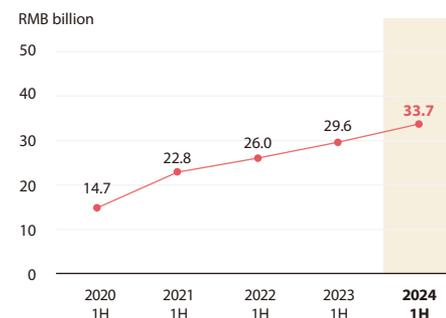
	Six months ended 30 June				Changes (%)	
	2024		2023			
	(RMB million)	(% of revenue)	(RMB million)	(% of revenue)		
DTC	8,937	55.6	8,085	57.1	▲	10.5
E-commerce	5,567	34.6	4,635	32.7	▲	20.1
Traditional wholesale and others	1,573	9.8	1,450	10.2	▲	8.5
<b>Total</b>	<b>16,077</b>	<b>100.0</b>	<b>14,170</b>	<b>100.0</b>	<b>▲</b>	<b>13.5</b>

FILA segment contributed 38.7% of the overall revenue to the Group. The segment revenue increased by 6.8% as compared with the same period of 2023 to RMB13,056 million (2023 1H: RMB12,229 million), which was mainly attributable to (i) growth of e-commerce business; and (ii) increase in contribution of functional and footwear products.

Revenue of all other brands increased by 41.8% as compared with the same period of 2023 to RMB4,602 million (2023 1H: RMB3,246 million). The growth was driven by the businesses of DESCENTE and KOLON SPORT, which the performance exceeded management's internal targets.

The total e-commerce business contributed 33.8% (2023 1H: 30.8%) of the overall revenue to the Group, and increased by 25.1% as compared with the same period of 2023. The revenue growth was attributable to (i) continuous enhancement in channel mix of the traditional e-commerce platforms (including T-mall, JD.com, Pinduoduo and VIP.com); and (ii) expansion of new social media e-commerce channels.

### Revenue



# MANAGEMENT DISCUSSION AND ANALYSIS

## 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				Changes Gross profit margin (% point)	
	2024		2023			
	Gross profit (RMB million)	Gross profit margin (%)	Gross profit (RMB million)	Gross profit margin (%)		
Footwear	8,870	60.6	7,155	57.7	▲	2.9
Apparel	12,190	67.4	11,057	67.8	▼	0.4
Accessories	558	54.8	543	58.7	▼	3.9
<b>Overall</b>	<b>21,618</b>	<b>64.1</b>	<b>18,755</b>	<b>63.3</b>	<b>▲</b>	<b>0.8</b>



### Breakdown by Segment

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

	Six months ended 30 June				Changes Gross profit margin (% point)	
	2024		2023			
	Gross profit (RMB million)	Gross profit margin (%)	Gross profit (RMB million)	Gross profit margin (%)		
ANTA	9,106	56.6	7,912	55.8	▲	0.8
FILA	9,168	70.2	8,461	69.2	▲	1.0
All other brands	3,344	72.7	2,382	73.4	▼	0.7
<b>Overall</b>	<b>21,618</b>	<b>64.1</b>	<b>18,755</b>	<b>63.3</b>	<b>▲</b>	<b>0.8</b>

During the financial period, the Group's overall gross profit margin increased by 0.8% point as compared with the same period of 2023 to 64.1% (2023 1H: 63.3%). The increase in overall gross profit margin was mainly attributable to increase in gross profit margins of ANTA segment and FILA segment.

ANTA segment gross profit margin increased by 0.8% point as compared with the same period of 2023 to 56.6% (2023 1H: 55.8%), which was mainly attributable to the combined effect of (i) increase in gross profit margin of footwear products; (ii) continuous decrease in the proportion of traditional wholesale business which has a relatively lower gross profit margin; and (iii) reversal of write-down of inventories.

FILA segment gross profit margin increased by 1.0% point as compared with the same period of 2023 to 70.2% (2023 1H: 69.2%), which was mainly attributable to the combined effect of (i) the increase in costs resulting from strategic enhancement and improvement in product functionality and quality, as well as proactive elevation in the proportion of footwear products; and (ii) the reversal of write-down of inventories.

## Other Net Income

Other net income for the financial period amounted to RMB809 million (2023 1H: RMB637 million), which mainly comprised of government grants of RMB732 million (2023 1H: RMB528 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 increased by 0.4% point for the financial period, which was mainly due to (i) more advertising and marketing campaigns for the financial period; (ii) increased investment in brand marketing resources; and (iii) continuous store opening and upgrade in first-tier cities resulting in increase in related expenditure. The ratio of staff costs to revenue remained at the same level, with 14.0% increase in total staff cost amounted to RMB5,228 million, representing the Group's continuous investment in human resources and talent development. The ratio of R&D costs to revenue increased by 0.4%, reflecting the Group's continuous investment in its R&D capability.

## Write-down of Inventories

Inventories are stated at cost or net realizable value, whichever is lower. In the event that net realizable value falls below cost, the difference is taken as write-down of inventories and charged to profit or loss.

During the financial period, reversal of write-down of inventories amounting to RMB276 million was credited to profit or loss (2023 1H: write-down of RMB189 million charged to profit or loss).

The Group continues to adopt the flexible "Dynamic Management" approach in response to market volatilities in order to maintain a healthy inventory level under the evolving business environment.

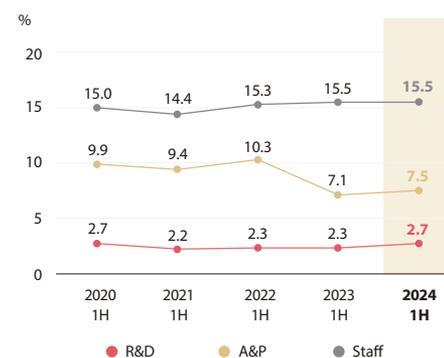
## Impairment Loss of Trade Receivables

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses ("ECLs"). ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions.

During the financial period, impairment loss of trade receivables amounting to RMB1 million was charged to profit or loss (2023 1H: reversal of impairment loss amounting to RMB3 million credited to profit or loss).

Attributable to the DTC model transformation (ANTA) and expansion of direct retail businesses (FILA and all other brands), the Group's overall average trade receivables turnover days remained at a relatively low level.

Operating Expenses Ratios



# MANAGEMENT DISCUSSION AND ANALYSIS

## PROFIT FROM OPERATIONS AND OPERATING PROFIT MARGIN

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

	Six months ended 30 June				Changes Operating profit margin (% point)	
	2024		2023			
	Profit from operations (RMB million)	Operating profit margin (%)	Profit from operations (RMB million)	Operating profit margin (%)		
ANTA	3,503	21.8	2,972	21.0	▲	0.8
FILA	3,731	28.6	3,638	29.7	▼	1.1
All other brands	1,375	29.9	985	30.3	▼	0.4
	<b>8,609</b>	<b>25.5</b>	<b>7,595</b>	<b>25.6</b>	▼	<b>0.1</b>
Headquarters and unallocated items	51	N/A	28	N/A		N/A
<b>Overall</b>	<b>8,660</b>	<b>25.7</b>	<b>7,623</b>	<b>25.7</b>		<b>-</b>

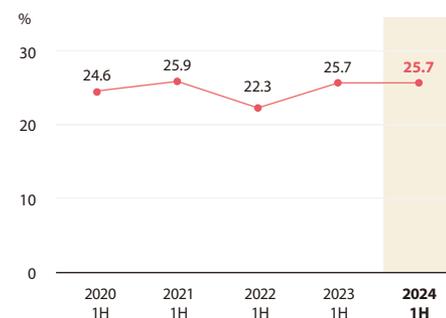
During the financial period, the Group's overall operating profit margin remained at 25.7% (2023 1H: 25.7%).

Whilst DTC model (ANTA) and direct retail businesses (FILA and all other brands) of the Group recorded a higher sales contribution, the Group also incurred more expenses relating to retail operation. The Group continues to implement cost control to enhance operational efficiency.

ANTA segment operating profit margin increased by 0.8% point as compared with the same period of 2023 to 21.8% (2023 1H: 21.0%), which was mainly attributable to the increase in gross profit margin by 0.8% point.

FILA segment operating profit margin decreased by 1.1% point as compared with the same period of 2023 to 28.6% (2023 1H: 29.7%), which was mainly attributable to increase in operating expenses to revenue ratio as a result of more international crossover and more advertising and promotion expenses incurred to reinforce consumers' perceptions of the brand image during the financial period.

Operating Profit Margin



## Finance Income/Costs

Total interest income for the financial period amounted to RMB943 million (2023 1H: RMB583 million). The increase was mainly due to increase in average bank deposit balances as compared with the same period of 2023, reflecting the Group's effective treasury management.

Total interest expense (excluding interest expense on lease liabilities) amounted to RMB138 million (2023 1H: RMB95 million) for the financial period. The increase was mainly driven by increase in average interest-bearing borrowings during the financial period.

Interest expense on lease liabilities under applicable financial reporting standards amounting to RMB155 million was incurred during the financial period (2023 1H: RMB146 million).

## Effective Tax Rate

Effective tax rate (excluding the effect of share of profit or loss of an associate/a joint venture and gain arising from equity dilution under the Amer Sports Listing) was 26.8% for the financial period (2023 1H: 27.2%).

## Margin of Profit Attributable to Equity Shareholders

Margin of profit attributable to equity shareholders increased by 6.9% point to 22.9% for the financial period, which was mainly attributable to (i)

the non-cash accounting gain arising from equity dilution under the Amer Sports Listing of RMB1,579 million; (ii) the increase in net finance income; and (iii) decrease in share of loss of an associate (2023 1H: share of loss of a joint venture) during the financial period.

## Dividends

The Board has declared an interim dividend of HK118 cents per ordinary share in respect of the financial year 2024, representing a payout of RMB3,079 million (2023 1H: RMB2,170 million), or a distribution of 50.1% (2023 1H: 45.7%) of the current period's profit attributable to equity shareholders, without the effect of non-cash accounting gain arising from equity dilution under the Amer Sports Listing.

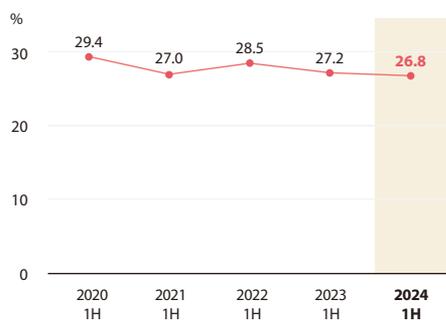
## Liquidity and Financial Resources

The Group's financial position remains robust and recorded a net operating cash inflow during the financial period.

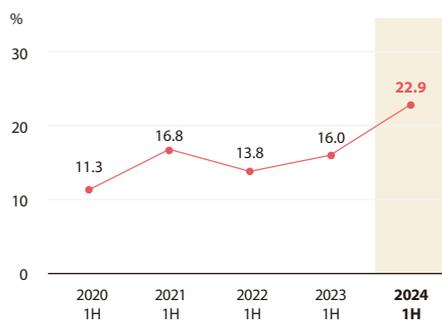
As at 30 June 2024, the cash and cash equivalents of the Group amounted to RMB9,105 million, which were mainly denominated in RMB, USD, HKD and EUR, representing a decrease of RMB6,123 million as compared with the cash and cash equivalents of RMB15,228 million as at 31 December 2023. This was mainly attributable to:

- Net cash inflow from operating activities amounted to RMB8,502 million, which was similar to profit from operations.

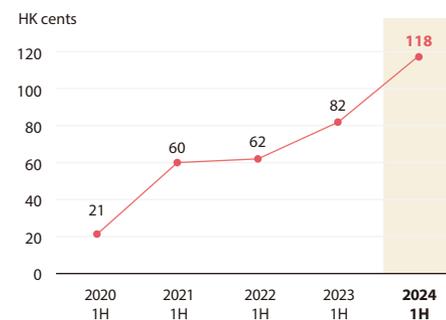
Effective Tax Rate



Margin of Profit Attributable to Equity Shareholders



Interim Dividend Per Ordinary Share



## MANAGEMENT DISCUSSION AND ANALYSIS

- Net cash outflow from investing activities amounted to RMB9,319 million, mainly including net placements of fixed deposits held at banks with maturity over three months of RMB4,331 million, payment for the Amer Sports Cornerstone Investment of RMB1,595 million and net payments of other investments of RMB2,147 million.
- Net cash outflow from financing activities amounted to RMB5,408 million, mainly including payment of the final dividend in respect of the financial year 2023 amounting to RMB3,044 million, and payment of lease liabilities amounting to RMB2,034 million.

	2024 (RMB million)	2023 (RMB million)
<b>Six months ended 30 June</b>		
Operating cash inflow	8,502	10,164
Capital expenditures	(891)	(664)
Others	8	23
<b>Free cash inflow</b>	<b>7,619</b>	<b>9,523</b>
<b>As at 30 June/31 December</b>		
Cash and cash equivalents	9,105	15,228
Fixed deposits held at banks with maturity over three months	38,332	33,284
Pledged deposits	396	5
Less: borrowings		
– Bank loans	(3,466)	(3,573)
– Bills payable (financing in nature)	(3,500)	(2,900)
– Convertible bonds (liability component)	(7,955)	(7,965)
– Medium term notes	(513)	(506)
<b>Net cash position</b>	<b>32,399</b>	<b>33,573</b>

As at 30 June 2024, total assets of the Group amounted to RMB97,178 million, of which current assets were RMB43,527 million. Total liabilities and non-controlling interests were RMB39,872 million and total equity attributable to equity shareholders of the Company amounted to RMB57,306 million.

The Group's gearing ratio was 15.9% as at 30 June 2024 (as at 31 December 2023: 16.2%), being a ratio of total borrowings to total assets. Bank loans were denominated in RMB and measured at amortized cost. All bank loans were at fixed rates, and 2.4% of bank loans were repayable within 1 year. Bills payable (financing in nature) were bills of exchange denominated in RMB, measured at amortized cost and repayable within 1 year. Convertible bonds (liability component) were denominated in EUR, measured at amortized cost and repayable within 1 year. Medium term notes were denominated in RMB and measured at amortized cost. Principal amount of RMB500 million of the medium term notes were repayable between 1 and 2 years.

## ASSETS/LIABILITIES TURNOVER RATIOS

The average inventory turnover days decreased by 10 days, representing a healthy inventory level after the off-season inventory clearance. The average trade receivables turnover days increased by 2 days and the average trade payables turnover days increased by 10 days. The turnover ratios mentioned above were at healthy levels.

## PLEDGE OF ASSETS

As at 30 June 2024, the Group had bank deposits of RMB396 million (as at 31 December 2023: RMB5 million) pledged as security for certain contracts.

## FINANCIAL MANAGEMENT POLICIES

The Group continues to manage financial risks in a prudent manner and proactively adopts internationally recognized corporate management standards to safeguard the interests of Shareholders.

As the functional currencies of most non-Mainland China entities (other than the associate/joint venture whose functional currency is USD) are HKD and those financial statements in HKD are translated into RMB for reporting and consolidation purposes, foreign exchange differences arising from the translation of such financial statements are directly recognized in equity as a separate reserve. In addition, as the investment in an associate/a joint venture and the convertible bonds (liability component) are denominated in USD and EUR respectively, fluctuations in the exchange rates of USD against RMB and EUR against RMB may have a significant impact on the Group's net assets and total comprehensive income.

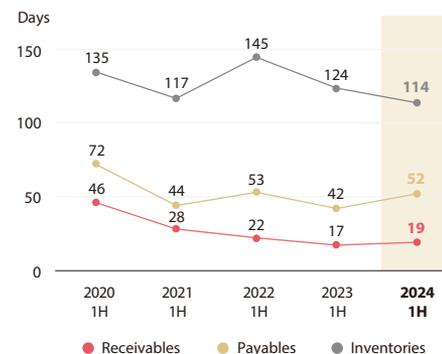
Nevertheless, the management actively monitors foreign exchange rate fluctuations to ensure that its net exposure is kept to an acceptable level.

## SIGNIFICANT INVESTMENTS

### Completion of Amer Sports Listing and Cornerstone Investment

On 4 January 2024, Amer Sports, Inc. filed a registration statements with the U.S. Securities and Exchange Commission for a proposed initial public offering and the listing of its ordinary shares on the New York Stock Exchange ("Amer Sports Listing").

Assets/Liabilities Turnover Days



On 1 February 2024, the Company had been informed by Amer Sports, Inc. that the latest version of its registration statement in respect of the Amer Sports Listing has been declared effective and trading in its ordinary shares commenced on 1 February 2024. Under the Amer Sports Listing, 105,000,000 ordinary shares were initially offered by Amer Sports, Inc. at the final offer price of USD13.00 per share. The Group subscribed a total of 16,923,076 ordinary shares of Amer Sports, Inc. with an aggregated investment amount of USD220 million (equivalent to RMB1,595 million) as a cornerstone investor under the Amer Sports Listing ("Amer Sports Cornerstone Investment"). An additional 15,750,000 ordinary shares were subsequently issued pursuant to the exercise of an over-allotment option granted by Amer Sports, Inc. to the underwriters ("Issuance of Over-Allotment Option").

With the Amer Sports Listing, Amer Sports Cornerstone Investment, the post-listing reorganisation at the shareholder level of Amer Sports, Inc. on 9 February 2024 ("Amer Sports Shareholding Reorganisation") and Issuance of Over-Allotment Option, the Group derecognised AS Holding as investment in a joint venture and transferred the carrying amount of the investment in a joint venture to investment in an associate. The Group accounted for Amer Sports, Inc. as an investment in an associate using equity method in the consolidated financial statements of the Group under applicable financial reporting standards.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT FINANCING

### Zero Coupon EUR1 Billion Convertible Bonds Due 2025 Issue

On 5 February 2020, the Group issued zero coupon convertible bonds due 2025 in the aggregate principal amount of EUR1 billion, which were listed on the Singapore Stock Exchange. As at 30 June 2024, the total outstanding principal amount of the convertible bonds was EUR1 billion (equivalent to RMB8,013 million). There had not been any exercise of conversion right of the convertible bonds and no redemption right had been exercised by the bondholders or the Company during the financial period.

Based on the applicable conversion price of HKD98.45 on that date and assuming full conversion of the convertible bonds, the convertible bonds would be convertible into 87,827,324 conversion shares.

The net proceeds from the convertible bonds issue were fully utilized by the end of the financial year 2022.

For further details of the convertible bonds issue, please refer to the announcements of the Company dated 14 January 2020 and 5 February 2020.

### Placing and Top-up Subscription

On 17 April 2023, certain shareholders of the Company (collectively the "Vendors"), certain agents (collectively the "Placing Agents") and the Company entered into a placing and subscription agreement pursuant to which (i) the Vendors agreed to sell, and each of the Placing Agents agreed, to procure, as agent of the Vendors, places for (or failing which, to purchase for and on behalf of itself) an aggregate of 119,000,000 existing Shares held by the Vendors (the "Placing Share(s)") at placing price of HKD99.18 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 119,000,000 new Shares (the "Subscription Share(s)", equivalent to the number of the Placing Shares sold by the Vendors pursuant to the Placing) at subscription price (being the same as the placing price) of HKD99.18 per Subscription Share (the "Subscription").

The completion of the Placing and Subscription took place on 20 April 2023 and 27 April 2023, respectively.

The net proceeds of the Subscription (after deducting all relevant expenses in connection with the Placing and the Subscription) were approximately HKD11,743 million (equivalent to RMB10,497 million). Out of the HKD11,743 million net proceed, HKD9,121 million were intended to repay the Group's outstanding financial indebtedness and the remaining of HKD2,622 million were intended for the use as general working capital. As at 30 June 2024, the net proceed of HKD11,743 million were fully utilized.

For further details of the Placing and the Subscription, please refer to the announcements of the Company dated 18 April 2023 and 27 April 2023.

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

## CAPITAL COMMITMENTS, CONTINGENCIES AND GUARANTEE

### Capital Commitments

As at 30 June 2024, the Group had capital commitments of RMB2,440 million, primarily relating to construction of ANTA Shanghai headquarters and Group logistic center, and renovation of retail stores.

### Contingencies

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

### Guarantee

As at 30 June 2024, the Group did not provide any form of guarantee for any company outside the Group.



## Prospects

### Determined to Lead as an Industry Exemplar

Looking ahead to the second half of 2024, amidst growing external unpredictability, it is vital to be committed on the strategy and objective in this volatile environment. We maintain a cautiously optimistic outlook about the fundamental strength and long-term prospects of Chinese sportswear industry. The Group adheres to the strategy of “Single-focus, Multi-brand, Globalization”, aspiring to establish industry benchmarks in four key areas: brand value, technological innovation, social responsibility, and employee dedication.

Guided by the “Single-focus” strategy, the Group will continue to focus on the sportswear sector, with each brand strengthening its position in its respective signature sports categories to establish leadership across different market segments. The “Multi-brand” strategy will drive sustainable and healthy development of each brand. The Group will also enhance its

multi-brand management capabilities that promote synergy and develop platforms that support growth of all the brands, including supply chain, digitalization, and R&D innovation. Regarding our “Globalization” strategy, beyond expanding our international presence, we will deploy overseas design and supply chain resources to internationalize our entire value chain, while striving to achieve industry-leading standards in environmental protection, social responsibility, and governance on a global scale.

### Performance Sports Group – Advancing New Retail Experience and Product

For the Performance Sports Group, with the gradual implementation of strategic transformations, innovative store formats and new retail channels, ANTA and ANTA KIDS have made phased achievements across various aspects. As we approach the second half of 2024, we set our sights on offering consumers new experiences through greater differentiated store formats and innovative products in specialty stores, such as “ANTA Champion Stores”, “ANTA SNEAKERVERSE” and “ANTA Super Store”, etc.

# MANAGEMENT DISCUSSION AND ANALYSIS



We will further optimize the structure of store formats and elevate the quality of the retail experience. By tailoring our approach to different city tiers and aligning product offerings with store formats, we aim to drive breakthroughs in our distribution channel while enhancing both store and product efficiencies.

In terms of products, we are bolstering our core IP series such as “C202”, “Mach”, and “Champion”, while leveraging the Group’s multi-brand strengths and supply chain advantages to foster collaborations with excellent brand resources in China and overseas. This aims to create more new IP products and drive growth across various categories. For example, the previously launched “ANTA Storm Mecha Jacket”, running shoes featuring “PG7” shock-absorbing midsole technology, and “ANTA KAI 1”, the first signature basketball shoe developed in partnership with Kyrie Irving, all garnered an overwhelming response from consumers. ANTA has established the foundation for a global operational model and will collaborate with strategic partners worldwide to broaden our distribution networks and market ANTA products globally, further enhancing the brand’s influence in overseas markets.

## Fashion Sports Group – Catching Market Trends by Optimizing Products and Store Formats

For the Fashion Sports Group, FILA has successfully established itself in various elite sports fields, backed by its firm positioning as a high-end athletic fashion brand. In the first half of 2024, it achieved several key milestones, including notable growth in the footwear and professional sports categories. In light of the burgeoning trends in elite sports like golf attire, urban tennis, and hiking, FILA will emphasize product development by enhancing quality and strengthening the competitiveness within specific vertical segments. FILA KIDS will stay aligned with industry trends by adjusting its product line to offer better choices tailored to children’s needs. FILA FUSION will expand into different scenarios that are suitable for young people to cater to their fashionable lifestyle preferences.

The brand will advance its store network optimization by launching new store formats in high-end core shopping districts. These include flagship stores FILA ICONA and FILA Atelier, FILA F-BOX aimed at professional sports elites, footwear concept stores, and new golf specialty stores. Our regular store image will also be elevated to foster a stronger connection with diverse consumer groups and offer them new consumer experiences through these revamped store formats. On the other hand, we will continue to penetrate various emerging online platforms to broaden our reach and enhance brand awareness.

## Outdoor Sports Group – Deepening Penetration in New Markets

In an ever-evolving sports industry where consumer demands for brand differentiation are on the rise, the high-end outdoor sports categories, such as outdoor equipment, camping gear, skiing products and golf, has shown relatively high growth. This upsurge in the high-end professional sports segment is also bolstered by high-end consumers who value product quality. For the Outdoor Sports Group, both DESCENTE and KOLON SPORT have implemented a multi-pronged approach to fortify their premium positionings and expand their market share by introducing unique, high-quality and iconic products.

DESCENTE is dedicated to fostering product upgrade and iterations through innovative R&D, with the goal of creating technological barriers that highlight its identity as a high-end, high-quality professional sports brand. To reinforce customer loyalty and promote repeat purchases, DESCENTE will implement delicacy management for its membership program to enhance the overall experience for customers. DESCENTE will deepen the development of its kids' presence in first tier and new first tier cities in China. The brand will also venture into Southeast Asia to explore new avenues for expansion.

Focusing on the camping and hiking segment, KOLON SPORT will utilize "halo product marketing" to build signature products and scenarios, with an emphasis on expanding the hiking shoe range to boost footwear's contribution. Regarding its channel strategy, the brand will transition from regional to nationwide coverage. Capitalizing on the growth of its spring and summer product lines, KOLON SPORT will increase its market penetration in Southern China and open brand flagship stores in upscale business districts in these areas. It will seize the opportunities arising from the online landscape, strengthen its presence on interest-based e-commerce platforms and enhance its private domain operations to cultivate brand communities.

## Diversified Channel Strategy

In the long-term, our focus will be on optimizing store efficiency and deepening the penetration of our online business, and maintaining a relatively stable offline store network. By the end of 2024, we expect the total number of ANTA stores and ANTA KIDS stores in Mainland China and overseas to be 7,100 to 7,200 and 2,800 to 2,900, respectively. FILA (including FILA KIDS and FILA FUSION standalone stores) will have a total of 2,100 to 2,200 stores in Mainland China, Hong Kong SAR, Macao SAR and Singapore. DESCENTE is expected to have 220 to 230 stores in Mainland China, Hong Kong SAR, Macao SAR and overseas, while KOLON SPORT is expected to have a total of 190 to 200 stores in Mainland China and Hong Kong SAR.

To become a leading multi-brand sportswear group in the world

### Single-focus, Multi-brand, Globalization

- Mass market positioning
- Breakthroughs in performance sports
- Brand transformation and growth



- Beacon project
- Breakthroughs in sports
- Retail excellence



- Brand power enhancement
- High-quality products
- Excellent retail experience



- Category with strong brand salience
- Emerging markets
- Brand recognition



#### Target number of stores at the end of 2024

ANTA  
7,100 to 7,200  
ANTA KIDS  
2,800 to 2,900

FILA, FILA KIDS and  
FILA FUSION  
2,100 to 2,200

DESCENTE  
220 to 230

KOLON SPORT  
190 to 200

# INVESTORS INFORMATION

## Share Information

Listing Day

**10 July 2007**

Board lot size

**200 shares**

Numbers of issued shares  
(excluding treasury shares)

**2,832,623,500 shares**

(As at 30 June 2024)

Number of treasury shares

**Nil**

(As at 30 June 2024)

## Stock Codes

Hong Kong Stock Exchange

**2020**

**(HKD counter)**

**and**

**82020**

**(RMB counter)**

Reuters

**2020.HK**

Bloomberg

**2020: HK**

**82020: HK**

MSCI

**3741301**

## Dividends

HK cents	2020	2021	2022	2023	2024
Ordinary interim	21	60	62	82	<b>118</b>
Ordinary final	47	68	72	115	-
Special interim	-	30	-	-	-

## Important Dates

Interim results announcement	<b>27 August 2024</b>
Record date of 2024 interim dividend	<b>10 September 2024 4:30 p.m.</b>
Payment date of 2024 interim dividend	<b>On or about 23 September 2024</b>
Financial year end date of 2024	<b>31 December 2024</b>

## Investor Relations Contacts

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Brand website: [www.anta.com](http://www.anta.com)

# CORPORATE INFORMATION

## Board

### Executive Directors

Ding Shizhong (*Chairman*)  
Ding Shijia (*Deputy Chairman*)  
Lai Shixian (*Co-Chief Executive Officer*)  
Wu Yonghua (*Co-Chief Executive Officer*)  
Zheng Jie  
Bi Mingwei (*Chief Financial Officer*)

### Independent Non-Executive Directors

Yiu Kin Wah Stephen *JP*  
Lai Hin Wing Henry Stephen  
Wang Jiaqian  
Xia Lian

### Company Secretary

Tse Kin Chung

## Board Committees

### Audit Committee

Yiu Kin Wah Stephen (*committee chairman*)  
Lai Hin Wing Henry Stephen  
Wang Jiaqian  
Xia Lian

### Remuneration Committee

Xia Lian (*committee chairman*)  
Lai Hin Wing Henry Stephen  
Wang Jiaqian

### Nomination Committee

Lai Hin Wing Henry Stephen (*committee chairman*)  
Yiu Kin Wah Stephen  
Wang Jiaqian  
Xia Lian

### Risk Management Committee

Wang Jiaqian (*committee chairman*)  
Yiu Kin Wah Stephen  
Lai Hin Wing Henry Stephen  
Xia Lian  
Bi Mingwei

### Sustainability Committee

Lai Shixian (*committee chairman*)  
Yiu Kin Wah Stephen  
Lai Hin Wing Henry Stephen  
Wang Jiaqian  
Xia Lian  
Wu Yonghua  
Yiu Wai Hung\*  
Tsui Yeung\*

## Authorized Representatives

Lai Shixian  
Tse Kin Chung

## 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 SAR

**Hong Kong SAR Office**  
16/F, Manhattan Place,  
23 Wang Tai Road,  
Kowloon Bay,  
Kowloon, Hong Kong SAR

## Head Offices in Mainland China

**Jinjiang Office**  
Dongshan Industrial Zone,  
Chidian Town, Jinjiang City,  
Fujian Province, China  
Postal code: 362212

**Xiamen Office**  
No. 99 Jiayi Road, Guanyinshan,  
Xiamen, Fujian Province, China  
Postal code: 361008

## Share Registrars and Transfer Offices

### Cayman Islands Principal Registrar

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3,  
Building D, P.O. Box 1586,  
Gardenia Court, Camana Bay,  
Grand Cayman, KY1-1100,  
Cayman Islands

### Hong Kong SAR Branch Registrar

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

## Legal Adviser

Morgan, Lewis & Bockius

## Auditor

KPMG  
*Certified Public Accountants*  
*Public Interest Entity Auditor*  
*registered in accordance with*  
*the Accounting and Financial Reporting Council*  
*Ordinance*

## Risk Management and Internal Control Review Adviser

KPMG Advisory (China) Limited

## Principal Bankers

Bank of China (Hong Kong) Limited  
Industrial & Commercial Bank of China Ltd.  
Industrial Bank Co., Ltd.  
China Merchants Bank Co., Ltd.  
Standard Chartered Bank PLC

\* *non-Board member*



# INDEPENDENT REVIEW REPORT OF THE AUDITORS



To the Board of Directors of  
**ANTA Sports Products Limited**  
(Incorporated in the Cayman Islands with limited liability)

## Introduction

We have reviewed the interim financial report set out on pages 42 to 72 which comprises the condensed consolidated statement of financial position of ANTA Sports Products Limited as at 30 June 2024 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 listed issuer's annual consolidated financial statements are prepared in accordance with IFRS Accounting Standards or Hong Kong Financial Reporting Standards. As the annual consolidated financial statements of ANTA Sports Products Limited are prepared in accordance with both IFRS Accounting Standards and Hong Kong Financial Reporting Standards, the directors are responsible for the preparation and presentation of the interim financial report in accordance with both International Accounting Standard 34 and Hong Kong Accounting Standard 34.

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

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 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, appearing to read 'KPMG', is written over a light grey rectangular background.

**KPMG**  
Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong SAR  
27 August 2024

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – unaudited

	Note	Six months ended 30 June	
		2024	2023
		RMB'million	RMB'million
<b>Revenue</b>	3(a)	<b>33,735</b>	29,645
Cost of sales		<b>(12,117)</b>	(10,890)
<b>Gross profit</b>		<b>21,618</b>	18,755
Other net income		<b>809</b>	637
Selling and distribution expenses		<b>(11,796)</b>	(10,074)
Administrative expenses		<b>(1,971)</b>	(1,695)
<b>Profit from operations</b>		<b>8,660</b>	7,623
Net finance income	4	<b>710</b>	356
Share of loss of a joint venture	12	<b>–</b>	(516)
Share of loss of an associate	13	<b>(19)</b>	–
Gain arising from equity dilution under the Amer Sports Listing	12	<b>1,579</b>	–
<b>Profit before taxation</b>	5	<b>10,930</b>	7,463
Taxation	6	<b>(2,511)</b>	(2,169)
<b>PROFIT FOR THE PERIOD</b>		<b>8,419</b>	5,294
<b>Other comprehensive income/(loss) for the period</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		<b>983</b>	1,009
Share of other comprehensive income/(loss) of a joint venture		<b>138</b>	(75)
Share of other comprehensive loss of an associate		<b>(113)</b>	–
Items that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income (“FVOCI”)			
– net movement in fair value reserve (non-recycling)		<b>14</b>	1
Share of other comprehensive income/(loss) of a joint venture		<b>44</b>	(56)
Share of other comprehensive loss of an associate		<b>(10)</b>	–
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>9,475</b>	6,173
<b>PROFIT ATTRIBUTABLE TO:</b>			
Equity shareholders of the Company		<b>7,721</b>	4,748
Non-controlling interests		<b>698</b>	546
<b>PROFIT FOR THE PERIOD</b>		<b>8,419</b>	5,294
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Equity shareholders of the Company		<b>8,774</b>	5,627
Non-controlling interests		<b>701</b>	546
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>9,475</b>	6,173
<b>Earnings per share</b>	7	<b>RMB</b>	RMB
– Basic		<b>2.75</b>	1.74
– Diluted		<b>2.68</b>	1.70

The notes on pages 47 to 72 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 21(j).

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024 – unaudited

	Note	30 June 2024 RMB'million	31 December 2023 RMB'million (audited)
<b>Non-current assets</b>			
Property, plant and equipment	8	4,006	4,143
Right-of-use assets	9	7,860	8,085
Construction in progress	10	1,234	822
Other non-current assets		581	567
Intangible assets	11	2,029	2,089
Investment in a joint venture	12	–	9,283
Investment in an associate	13	12,802	–
Other investments	14	3,835	1,896
Pledged deposits	17	241	–
Fixed deposits held at banks with maturity over three months	17	19,747	11,836
Deferred tax assets	20(b)	1,316	1,367
<b>Total non-current assets</b>		<b>53,651</b>	<b>40,088</b>
<b>Current assets</b>			
Inventories	15	8,013	7,210
Trade receivables	16	3,363	3,732
Other current assets	16	2,557	3,135
Amounts due from related parties	24(b)	57	49
Other investments	14	1,692	1,333
Pledged deposits	17	155	5
Fixed deposits held at banks with maturity over three months	17	18,585	21,448
Cash and cash equivalents	17	9,105	15,228
<b>Total current assets</b>		<b>43,527</b>	<b>52,140</b>
<b>Total assets</b>		<b>97,178</b>	<b>92,228</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2024 – unaudited

	Note	30 June 2024 RMB'million	31 December 2023 RMB'million (audited)
<b>Current liabilities</b>			
Borrowings	18	11,552	3,996
Trade payables	19	3,751	3,195
Other current liabilities	19	7,166	7,813
Payable to non-controlling interests		–	29
Lease liabilities		2,801	2,701
Amounts due to related parties	24(b)	66	32
Current taxation	20(a)	2,016	2,825
<b>Total current liabilities</b>		<b>27,352</b>	20,591
<b>Net current assets</b>		<b>16,175</b>	31,549
<b>Total assets less current liabilities</b>		<b>69,826</b>	71,637
<b>Non-current liabilities</b>			
Borrowings	18	3,882	10,948
Lease liabilities		3,514	3,824
Deferred tax liabilities	20(b)	800	855
<b>Total non-current liabilities</b>		<b>8,196</b>	15,627
<b>Total liabilities</b>		<b>35,548</b>	36,218
<b>Net assets</b>		<b>61,630</b>	56,010
<b>Equity</b>			
Share capital	21(a)	272	272
Reserves	21	57,034	51,188
<b>Total equity attributable to equity shareholders of the Company</b>		<b>57,306</b>	51,460
<b>Non-controlling interests</b>		<b>4,324</b>	4,550
<b>Total liabilities and equity</b>		<b>97,178</b>	92,228

The notes on pages 47 to 72 form part of this interim financial report.



**Ding Shizhong**  
Chairman and Executive Director



**Lai Shixian**  
Executive Director and Co-Chief Executive Officer

Hong Kong SAR, 27 August 2024

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024 – unaudited

	Note	Attributable to equity shareholders of the Company			Non-controlling interests RMB'million	Total equity RMB'million
		Share capital RMB'million	Reserves RMB'million	Total RMB'million		
<b>Balances as at 1 January 2023</b>		262	34,138	34,400	3,439	37,839
<b>Changes in equity for the six months ended 30 June 2023:</b>						
– Profit for the period		–	4,748	4,748	546	5,294
– Other comprehensive income for the period		–	879	879	–	879
Total comprehensive income for the period		–	5,627	5,627	546	6,173
Dividends approved in respect of the previous year	21(j)	–	(1,852)	(1,852)	–	(1,852)
Shares allotted and issued under a placing and subscription agreement	21(a)	10	10,487	10,497	–	10,497
Equity-settled share-based payment transactions	21(g)	–	105	105	–	105
Share of other reserves of a joint venture	12	–	(76)	(76)	–	(76)
Capital contribution by non-controlling interests of subsidiaries		–	–	–	245	245
Dividends to non-controlling interests of subsidiaries		–	–	–	(125)	(125)
<b>Balances as at 30 June 2023</b>		272	48,429	48,701	4,105	52,806
<b>Balances as at 1 January 2024</b>		<b>272</b>	<b>51,188</b>	<b>51,460</b>	<b>4,550</b>	<b>56,010</b>
<b>Changes in equity for the six months ended 30 June 2024:</b>						
– Profit for the period		–	7,721	7,721	698	8,419
– Other comprehensive income for the period		–	1,053	1,053	3	1,056
Total comprehensive income for the period		–	8,774	8,774	701	9,475
Dividends approved in respect of the previous year	21(j)	–	(3,044)	(3,044)	–	(3,044)
Shares purchased under share award scheme	21(i)	–	(56)	(56)	–	(56)
Equity-settled share-based payment transactions	21(g)	–	116	116	–	116
Share of other reserves of a joint venture	12	–	2	2	–	2
Share of other reserves of an associate	13	–	181	181	–	181
Reclassification of relevant reserves arising from equity dilution under the Amer Sports Listing	12	–	(127)	(127)	–	(127)
Capital contribution by non-controlling interests of subsidiaries		–	–	–	29	29
Dividends to non-controlling interests of subsidiaries		–	–	–	(956)	(956)
<b>Balances as at 30 June 2024</b>		<b>272</b>	<b>57,034</b>	<b>57,306</b>	<b>4,324</b>	<b>61,630</b>

The notes on pages 47 to 72 form part of this interim financial report.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024 – unaudited

	Note	Six months ended 30 June	
		2024 RMB'million	2023 RMB'million
<b>Operating activities</b>			
Cash generated from operations		<b>11,190</b>	11,851
Income tax paid		<b>(3,325)</b>	(2,433)
Interest received		<b>637</b>	746
<b>Net cash generated from operating activities</b>		<b>8,502</b>	10,164
<b>Investing activities</b>			
Capital expenditures paid		<b>(891)</b>	(664)
Net placements of pledged deposits		<b>(386)</b>	–
Net placements of fixed deposits held at banks with maturity over three months		<b>(4,331)</b>	(8,685)
Payment for the Amer Sports Cornerstone Investment	12	<b>(1,595)</b>	–
Net payments of other investments		<b>(2,147)</b>	(11)
Other cash flows derived from investing activities		<b>31</b>	23
<b>Net cash used in investing activities</b>		<b>(9,319)</b>	(9,337)
<b>Financing activities</b>			
Net (repayments of)/proceeds from bank loans		<b>(87)</b>	521
Payments of interest expense on bank loans		<b>(77)</b>	(18)
Net proceeds from bills payable (finance in nature)		<b>567</b>	–
Payments of lease liabilities		<b>(2,034)</b>	(1,968)
Payments for shares purchased under share award scheme	21(i)	<b>(56)</b>	–
Dividends paid to equity shareholders of the Company	21(j)	<b>(3,044)</b>	(1,852)
Dividends paid to non-controlling interests of subsidiaries		<b>(706)</b>	(118)
Net proceeds from shares allotted and issued under a placing and subscription agreement		–	10,497
Other cash flows derived from financing activities		<b>29</b>	245
<b>Net cash (used in)/received from financing activities</b>		<b>(5,408)</b>	7,307
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,225)</b>	8,134
<b>Cash and cash equivalents as at 1 January</b>		<b>15,228</b>	17,378
<b>Effect of foreign exchange rate changes</b>		<b>102</b>	317
<b>Cash and cash equivalents as at 30 June</b>	17	<b>9,105</b>	25,829

The notes on pages 47 to 72 form part of this interim financial report.

# NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 1. Basis of Preparation

This interim financial report of ANTA Sports Products Limited (the “Company”) has been prepared in accordance with the applicable disclosure provisions of *The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “Listing Rules”) 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 27 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes (if any) 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 IFRS Accounting Standards or Hong Kong Financial Reporting Standards. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements.

The interim financial report is unaudited, but has been reviewed by the Company’s auditors, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA. KPMG’s independent review report to the board of directors of the Company is included on page 41.

## 2. Changes in Accounting Policies

### (a) Revision on IFRS Accounting Standards/Hong Kong Financial Reporting Standards

The IASB and HKICPA have issued a number of amendments to IFRS Accounting Standards and Hong Kong Financial Reporting Standards that are first effective for the current accounting period of the Group. The Group has assessed the impact of the adoption of the amendments and considered that none of the amendments to IFRS Accounting Standards and Hong Kong Financial Reporting Standards that are first effective for the current accounting period of the Group have a material effect to the Group’s results and financial position prepared or presented in this interim financial report.

## NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

### 2. Changes in Accounting Policies (Continued)

#### (b) Possible impact of amendments, new standards and interpretations issued but are not yet effective

Up to the date of issue of this interim financial report, the IASB and HKICPA have issued a number of amendments and new standards which are not yet effective for the year ending 31 December 2024 and which have not been adopted in this interim financial report.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it is concluded that the initial adoption is unlikely to have significant impact on the consolidated financial statements.

### 3. Revenue and Segment Reporting

#### (a) Revenue

The principal activities of the Group are branding, production, design, procurement, supply chain management, wholesale and retail of branded sporting goods including footwear, apparel and accessories. As at 30 June 2024, the Group also has an investment in an associate (2023: an investment in a joint venture), the principal activity of which is operating Amer Sports business, as detailed in note 12 and 13.

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

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

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

	Six months ended 30 June	
	2024	2023
	RMB'million	RMB'million
Footwear	14,635	12,407
Apparel	18,082	16,313
Accessories	1,018	925
	33,735	29,645

For the six months ended 30 June 2024, there was no customer with whom transactions have exceeded 10% of the Group's revenue (2023: Nil).

The Group has applied practical expedient in paragraph 121 of IFRS/HKFRS 15, *Revenue from Contracts with Customers* to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the end of reporting period as the performance obligation is part of a contract that has an original expected duration of one year or less.

#### (b) Segment reporting

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

### 3. Revenue and Segment Reporting (Continued)

#### (b) Segment reporting (Continued)

	ANTA brand RMB'million	FILA brand RMB'million	All other brands RMB'million	Headquarters and unallocated items RMB'million	Total RMB'million
<b>For the six months ended 30 June 2024</b>					
<b>Revenue</b>					
– Revenue from external customers	16,077	13,056	4,602	–	33,735
<b>Gross profit</b>	<b>9,106</b>	<b>9,168</b>	<b>3,344</b>	<b>–</b>	<b>21,618</b>
<b>Results</b>					
– Net finance income	–	–	–	710	710
– Share of loss of an associate	–	–	–	(19)	(19)
– Gain arising from equity dilution under the Amer Sports Listing	–	–	–	1,579	1,579
<b>Profit before taxation</b>	<b>3,503</b>	<b>3,731</b>	<b>1,375</b>	<b>2,321</b>	<b>10,930</b>
<b>As at 30 June 2024</b>					
<b>Assets</b>					
– Investment in an associate	–	–	–	12,802	12,802
– Other investments	–	–	–	5,527	5,527
– Deferred tax assets	–	–	–	1,316	1,316
– Cash and cash equivalents, fixed deposits held at banks and pledged deposits	18,672	2,115	3,669	23,377	47,833
– Other assets	11,758	8,120	4,032	6,053	29,963
<i>Reconciliation:</i>					
– Elimination of internal borrowings	(68)	–	–	(195)	(263)
<b>Total assets</b>	<b>30,362</b>	<b>10,235</b>	<b>7,701</b>	<b>48,880</b>	<b>97,178</b>
<b>Liabilities</b>					
– Borrowings	–	–	–	15,434	15,434
– Current taxation	–	–	–	2,016	2,016
– Deferred tax liabilities	–	–	–	800	800
– Other liabilities	8,212	5,725	2,484	1,140	17,561
<i>Reconciliation:</i>					
– Elimination of internal borrowings	(44)	–	(219)	–	(263)
<b>Total liabilities</b>	<b>8,168</b>	<b>5,725</b>	<b>2,265</b>	<b>19,390</b>	<b>35,548</b>

## NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

### 3. Revenue and Segment Reporting (Continued)

#### (b) Segment reporting (Continued)

	ANTA brand RMB'million	FILA brand RMB'million	All other brands RMB'million	Headquarters and unallocated items RMB'million	Total RMB'million
<b>For the six months ended 30 June 2023</b>					
<b>Revenue</b>					
– Revenue from external customers	14,170	12,229	3,246	–	29,645
<b>Gross profit</b>	7,912	8,461	2,382	–	18,755
<b>Results</b>					
– Net finance income	–	–	–	356	356
– Share of loss of a joint venture	–	–	–	(516)	(516)
<b>Profit/(loss) before taxation</b>	2,972	3,638	985	(132)	7,463
<b>As at 31 December 2023</b>					
<b>Assets</b>					
– Investment in a joint venture	–	–	–	9,283	9,283
– Other investments	–	–	–	3,229	3,229
– Deferred tax assets	–	–	–	1,367	1,367
– Cash and cash equivalents, fixed deposits held at banks and pledged deposits	14,475	4,454	2,920	26,668	48,517
– Other assets	11,818	8,445	4,080	5,680	30,023
<i>Reconciliation:</i>					
– Elimination of internal borrowings	–	–	–	(191)	(191)
<b>Total assets</b>	26,293	12,899	7,000	46,036	92,228
<b>Liabilities</b>					
– Borrowings	–	–	–	14,944	14,944
– Current taxation	–	–	–	2,825	2,825
– Deferred tax liabilities	–	–	–	855	855
– Other liabilities	8,117	6,284	2,286	1,098	17,785
<i>Reconciliation:</i>					
– Elimination of internal borrowings	(23)	–	(168)	–	(191)
<b>Total liabilities</b>	8,094	6,284	2,118	19,722	36,218

For reconciliation purpose, "Headquarters and unallocated items" is also presented in the segment information.

## 4. Net Finance Income

	Six months ended 30 June	
	2024 RMB'million	2023 RMB'million
Total interest income on financial assets measured at amortised cost	943	583
Net gain on forward foreign exchange contracts	24	38
Change in fair value of financial assets measured at fair value through profit or loss ("FVTPL")	16	–
Other net foreign exchange gain	20	–
	<b>1,003</b>	621
Interest expense on lease liabilities	(155)	(146)
Total interest expense on other financial liabilities measured at amortised cost	(144)	(98)
Less: interest expenses capitalised into properties under development <sup>(i)</sup>	6	3
Other net foreign exchange loss	–	(24)
	<b>(293)</b>	(265)
<b>Net finance income</b>	<b>710</b>	356

(i) The borrowing costs have been capitalised at a rate of 2.80% per annum (2023: 2.80%).

## 5. Profit Before Taxation

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

	Six months ended 30 June	
	2024 RMB'million	2023 RMB'million
Cost of inventories <sup>(i)</sup> (note 15(b))	12,117	10,890
Research and development costs <sup>(i) &amp; (ii)</sup>	919	677
Subcontracting charges <sup>(i)</sup>	175	108
Staff costs <sup>(i) &amp; (ii)</sup>	5,228	4,584
Depreciation <sup>(i)</sup>		
– Property, plant and equipment (note 8)	467	512
– Right-of-use assets (note 9)	2,049	1,817
Amortisation of intangible assets (note 11)	68	60
Impairment loss/(reversal of impairment loss) of trade receivables (note 16)	1	(3)
Variable lease payments not included in the measurement of lease liabilities	1,691	1,472

(i) Cost of inventories includes research and development costs, subcontracting charges, staff costs and depreciation, total amounting to RMB1,622 million (2023: RMB1,275 million).

(ii) Research and development costs include staff costs of employees in the research and development department, of which RMB379 million (2023: RMB308 million) are included in the staff costs as disclosed above.

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### 6. Taxation in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended 30 June	
	2024	2023
	RMB'million	RMB'million
<b>Current tax</b>		
PRC Corporate Income Tax and income taxes of other tax jurisdictions	2,168	1,832
Dividends withholding tax	347	79
<b>Deferred tax (note 20(b))</b>		
Dividends withholding tax	(347)	(79)
Origination and reversal of other temporary differences	343	337
	<b>2,511</b>	<b>2,169</b>

(i) In accordance with the relevant PRC corporate income tax laws, implementation regulations and guidance notes, certain subsidiaries in Mainland China are entitled to tax concessions whereby the profits of these subsidiaries are taxed at a preferential income tax rate. Taxation of the Group's other subsidiaries in Mainland China are calculated using the applicable income tax rates of 25%.

(ii) Taxation for subsidiaries in other tax jurisdictions amounting to RMB6 million (2023: RMB16 million) was charged at the appropriate current rates under the relevant taxation rulings.

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

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

(iv) The Organisation for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two Tax Legislation") to implement the Pillar Two model rules on a globally agreed common approach. The Group is within the scope of the OECD Pillar Two model rules as the Group's consolidated annual revenue has exceeded EUR750 million.

Pillar Two Tax Legislation has enacted or substantially enacted in several tax jurisdictions in which the Company and its subsidiaries operate and has come into effect from 1 January 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS/HKAS 12. Under the Pillar Two Tax Legislation, if the constituent entities in one tax jurisdiction fail to satisfy any safe harbour rules and the Global Anti-Base Erosion (GloBE) effective tax rate is lower than the minimum rate of 15%, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate per tax jurisdiction and the minimum rate of 15%.

Since the major operations of the Group are in Mainland China, based on the information currently available, the impact of these rules on the Group's income tax position is not material.

## 7. Earnings Per Share

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue during the reporting period.

#### Profit attributable to equity shareholders of the Company

	Six months ended 30 June	
	2024	2023
	RMB'million	RMB'million
<b>Profit attributable to equity shareholders of the Company</b>	<b>7,721</b>	4,748

#### Weighted average number of ordinary shares

	2024	2023
	'000 shares	'000 shares
<b>Issued ordinary shares as at 1 January</b>	<b>2,832,624</b>	2,713,624
Effect of shares held under share award scheme	(21,960)	(20,753)
Effect of shares vested under share award scheme	913	391
Effect of shares allotted and issued under a placing and subscription agreement	–	42,735
<b>Weighted average number of ordinary shares as at 30 June</b>	<b>2,811,577</b>	2,735,997

### (b) Diluted earnings per share

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

#### Profit attributable to equity shareholders of the Company (diluted)

	Six months ended 30 June	
	2024	2023
	RMB'million	RMB'million
Profit attributable to equity shareholders of the Company	7,721	4,748
Adjustment for interest on convertible bonds, net of tax	45	44
<b>Profit attributable to equity shareholders of the Company (diluted)</b>	<b>7,766</b>	4,792

#### Weighted average number of ordinary shares (diluted)

	2024	2023
	'000 shares	'000 shares
<b>Weighted average number of ordinary shares as at 30 June</b>	<b>2,811,577</b>	2,735,997
Effect of awarded shares under share award scheme	1,857	789
Effect of conversion of convertible bonds	86,959	85,136
<b>Weighted average number of ordinary shares (diluted) as at 30 June</b>	<b>2,900,393</b>	2,821,922

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### 8. Property, Plant and Equipment

	2024 RMB'million	2023 RMB'million
<b>Net book value, as at 1 January</b>	<b>4,143</b>	3,716
Additions	<b>304</b>	247
Transfer from construction in progress (note 10)	<b>74</b>	680
Disposals	<b>(48)</b>	(2)
Charge for the period (note 5)	<b>(467)</b>	(512)
<b>Net book value, as at 30 June</b>	<b>4,006</b>	4,129

### 9. Right-of-use Assets

	2024 RMB'million	2023 RMB'million
<b>Net book value, as at 1 January</b>	<b>8,085</b>	8,015
Additions	<b>1,952</b>	1,421
Charge for the period (note 5)	<b>(2,049)</b>	(1,817)
Disposals	<b>(128)</b>	(185)
<b>Net book value, as at 30 June</b>	<b>7,860</b>	7,434

### 10. Construction in Progress

	2024 RMB'million	2023 RMB'million
<b>As at 1 January</b>	<b>822</b>	1,058
Additions	<b>486</b>	286
Transfer to property, plant and equipment (note 8)	<b>(74)</b>	(680)
<b>As at 30 June</b>	<b>1,234</b>	664

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

### 11. Intangible Assets

	2024 RMB'million	2023 RMB'million
<b>Net book value, as at 1 January</b>	<b>2,089</b>	1,480
Additions	<b>10</b>	19
Disposals	<b>(2)</b>	–
Charge for the period (note 5)	<b>(68)</b>	(60)
<b>Net book value, as at 30 June</b>	<b>2,029</b>	1,439

### 12. Investment in a Joint Venture

	2024 RMB'million	2023 RMB'million
<b>As at 1 January</b>	<b>9,283</b>	9,343
Before Amer Sports Listing:		
– share of loss	–	(516)
– share of other comprehensive income/(loss)	<b>182</b>	(131)
– share of other reserves	<b>2</b>	(76)
– cash distribution	<b>(38)</b>	–
– foreign currency translation differences	<b>73</b>	590
Impact of the Amer Sports Listing:		
– share of net proceeds from Amer Sports Listing	<b>4,736</b>	–
– share of equity dilution	<b>(1,689)</b>	–
Transfer to investment in an associate (note 13)	<b>(12,549)</b>	–
<b>As at 30 June</b>	<b>–</b>	9,210

## 12. Investment in a Joint Venture (Continued)

As at 31 December 2023, details of the Group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

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

Before the completion of the Amer Sports Listing (as defined below) and the post-listing reorganisation at the shareholders level of Amer Sports, Inc. on 9 February 2024, the Group accounted for AS Holding as an investment in a joint venture using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards, as decisions about certain key activities of AS Holding required the consent of directors nominated by other shareholders.

AS Holding was an unlisted corporate entity whose quoted market price was not available.

Summarised consolidated financial information of AS Holding, based on the latest available information to the Company and following the accounting policies adopted by the Group, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	31 December 2023 RMB'million
Non-current assets	42,842
Current assets	17,181
Current liabilities	(21,653)
Non-current liabilities	(20,722)
Non-controlling interests	(32)
Equity attributable to equity shareholders	17,616
Included in the above assets and liabilities:	
Cash and cash equivalents	3,558
Current financial liabilities (excluding trade and other payables and provisions)	(13,067)
Non-current financial liabilities (excluding trade and other payables and provisions)	(13,406)
	Six months ended 30 June 2023 RMB'million
Revenue	13,267
Post-tax loss	(983)
Other comprehensive loss	(250)
Total comprehensive loss	(1,233)
Included in the above profit or loss:	
Depreciation and amortisation	(727)
Impairment	(1,131)
Interest income	23
Interest expense	(725)
Income tax expense	(202)

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(Expressed in Renminbi unless otherwise indicated)

### 12. Investment in a Joint Venture (Continued)

For the six months ended 30 June 2023, due to significant rise in the discount rate used in impairment testing and adjustment in development priority of the brands under Amer Sports, impairments on goodwill and trademarks of approximately RMB1,131 million in total for Peak Performance business were recognised by AS Holding.

Reconciliation to the Group's investment in a joint venture	31 December 2023 RMB'million
AS Holding's net assets	17,648
Less: non-controlling interest	(32)
AS Holding's net assets attributable to equity shareholders	17,616
Group's effective interest	52.70%
Group's share of AS Holding's net assets attributable to equity shareholders	9,283
<b>Carrying amount of the Group's investment</b>	<b>9,283</b>

As at 31 December 2023, a five-year EUR1,300 million (equivalent to RMB10,492 million) term loan facility ("Facility A") is provided by independent third party bank lenders to AS Holding for the purpose of, amongst other things, (i) funding the settlement of the tender offer and the purchase of the shares of Amer Sports; and/or (ii) refinancing of any indebtedness of Amer Sports in connection with the acquisition of shares of Amer Sports. The Company has guaranteed the full and punctual performance of any and all obligations and undertakings of AS Holding to the arrangers, the lenders and the agent in connection with, and for all amounts which may become due and payable under, the aforesaid loan facilities. As at 31 December 2023, Facility A has been fully drawn by AS Holding.

During the reporting period, all loans under Facility A provided to AS Holding have been fully repaid. Thereby, the guarantee provided by the Company for all obligations and undertaking of AS Holding to the arrangers, the lenders and the agent under the Facility A has been released.

On 4 January 2024, Amer Sports, Inc. filed a registration statements with the U.S. Securities and Exchange Commission for a proposed initial public offering and the listing of its ordinary shares on the New York Stock Exchange ("Amer Sports Listing").

On 1 February 2024, the Company has been informed by Amer Sports, Inc. that the latest version of its registration statement in respect of the Amer Sports Listing has been declared effective and trading in its ordinary shares commenced on 1 February 2024. Under the Amer Sports Listing, 105,000,000 ordinary shares were initially offered by Amer Sports, Inc. at the final offer price of USD13.00 per share, which included a total of 16,923,076 ordinary shares of Amer Sports, Inc. with an aggregated investment amount of USD220 million (equivalent to RMB1,595 million) subscribed by the Group as a cornerstone investor under the Amer Sports Listing ("Amer Sports Cornerstone Investment"). An additional 15,750,000 ordinary shares were subsequently issued by Amer Sports, Inc. pursuant to the exercise of an over-allotment option granted to the underwriters ("Issuance of Over-Allotment Option").

With the Amer Sports Listing, Amer Sports Cornerstone Investment, the post-listing reorganisation at the shareholder level of Amer Sports, Inc. on 9 February 2024 ("Amer Sports Shareholding Reorganisation") and Issuance of Over-Allotment Option, the Group derecognised AS Holding as investment in a joint venture and transferred the carrying amount of the investment in a joint venture to investment in an associate.

### 13. Investment in an Associate

	2024 RMB'million
<b>As at 1 January</b>	<b>–</b>
Transfer from investment in a joint venture (note 12)	<b>12,549</b>
After Amer Sports Listing:	
– share of loss	<b>(19)</b>
– share of other comprehensive loss	<b>(123)</b>
– share of other reserves	<b>181</b>
– foreign currency translation differences	<b>214</b>
<b>As at 30 June</b>	<b>12,802</b>

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

Name of associate	Place of incorporation/ business	Proportion of interest held	Proportion of voting rights held
Amer Sports, Inc.	Cayman Islands/ Worldwide	43.33%	45.98%

### 13. Investment in an Associate (Continued)

Amer Sports Oy ("Amer Sports") was a wholly-owned subsidiary of Amer Sports, Inc. and a sporting goods company with internationally recognised brands including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, etc.

With the Amer Sports Listing, Amer Sports Cornerstone Investment, Amer Sports Shareholding Reorganisation and Issuance of Over-Allotment Option, the Group held a total of 218,915,443 ordinary shares, representing 43.33% of the total issued shares of Amer Sports, Inc.. The Group accounted for Amer Sports, Inc. as an investment in an associate using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards.

Amer Sports, Inc., the only associate of the Group, was listed on the New York Stock Exchange (NYSE: AS) with an active quoted market price. As at 30 June 2024, based on the number of ordinary shares held by the Group and the quoted market closing price (USD12.57 per ordinary share), the fair value of the investment in an associate was USD2,752 million (equivalent to RMB20,293 million).

Summarised consolidated financial information of Amer Sports, Inc., based on the latest available information to the Company and following the accounting policies adopted by the Group, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	30 June 2024 RMB'million
Non-current assets	44,631
Current assets	16,170
Current liabilities	(8,635)
Non-current liabilities	(22,568)
Non-controlling interests	(52)
<b>Equity attributable to equity shareholders</b>	<b>29,546</b>

	Six months ended 30 June 2024 RMB'million
Revenue	15,900
Post-tax profit	37
Other comprehensive income	432
<b>Total comprehensive income</b>	<b>469</b>

Reconciliation to the Group's investment in an associate	30 June 2024 RMB'million
Amer Sports, Inc.'s net assets	29,598
Less: non-controlling interest	(52)
Amer Sports, Inc.'s net assets attributable to equity shareholders	29,546
Group's effective interest	43.33%
Group's share of Amer Sports, Inc.'s net assets attributable to equity shareholders	12,802
Carrying amount of the Group's investment	12,802

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(Expressed in Renminbi unless otherwise indicated)

### 14. Other Investments

	30 June 2024 RMB'million	31 December 2023 RMB'million
<b>Current</b>		
Financial instruments measured at FVTPL:		
– Unlisted debt securities at amortised cost:		
– Unlisted debt securities	1,489	–
– Listed debt securities	203	1,113
– Unlisted debt securities	–	220
	<b>1,692</b>	1,333
<b>Non-current</b>		
Financial instruments measured at FVTPL:		
– Derivative financial instruments	14	–
– Unlisted debt securities at amortised cost:		
– Unlisted debt securities	1,509	366
	<b>1,895</b>	366
Total of the above	<b>3,587</b>	1,699
Equity instruments designated at FVOCI (non-recycling):		
– Unlisted equity investments <sup>(i)</sup>	108	99
– Listed perpetual bonds (equity investment in nature) <sup>(ii)</sup>	1,832	1,431
	<b>1,940</b>	1,530
<b>Total</b>	<b>5,527</b>	3,229

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

(ii) The Group designated certain listed perpetual bonds (equity investment in nature) issued by Big 4 domestic banks at FVOCI (non-recycling), as the investments are not held for trading purpose and are intended to be held for medium to long-term.

The movements of the above unlisted equity investments are as follows:

	2024 RMB'million	2023 RMB'million
<b>As at 1 January</b>	<b>99</b>	87
Total unrealised gains recognised in other comprehensive income	<b>9</b>	3
<b>As at 30 June</b>	<b>108</b>	90

As at the end of the reporting period, the breakdown of financial instruments measured at FVTPL and at amortised cost are as follows:

	30 June 2024 RMB'million	31 December 2023 RMB'million
Government bonds	<b>203</b>	1,113
Placed with big 4 domestic banks (and their subsidiaries)	<b>388</b>	–
Placed with highly reputable and sizeable foreign-owned banks	<b>2,996</b>	586
	<b>3,587</b>	1,699

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

### 15. Inventories

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

	30 June 2024 RMB'million	31 December 2023 RMB'million
Raw materials	<b>424</b>	337
Work in progress	<b>228</b>	280
Finished goods	<b>7,361</b>	6,593
	<b>8,013</b>	7,210

## 15. Inventories (Continued)

### (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	
	2024	2023
	RMB'million	RMB'million
Carrying amount of inventories sold (Reversal of write-down)/write-down of inventories	<b>12,393</b>	10,701
	<b>(276)</b>	189
	<b>12,117</b>	10,890

## 16. Trade Receivables and Other Current Assets

	30 June	31 December
	2024	2023
	RMB'million	RMB'million
<b>Trade receivables</b>	<b>3,390</b>	3,758
Less: loss allowance	<b>(27)</b>	(26)
	<b>3,363</b>	3,732
<b>Other current assets:</b>		
Other assets in relation to refunds <sup>(i)</sup>	<b>80</b>	117
Advance payments to suppliers	<b>796</b>	878
Deposits and other prepayments	<b>798</b>	629
VAT deductible	<b>332</b>	287
Others	<b>551</b>	1,224
	<b>2,557</b>	3,135

(i) The Group recognises other assets in relation to refunds, measured with reference to the former carrying amount of the products. Costs to recover the products are not material and the product returned are usually in a saleable condition.

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

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

	30 June	31 December
	2024	2023
	RMB'million	RMB'million
Current	<b>3,355</b>	3,725
Less than 3 months past due	<b>12</b>	13
Past due over 3 months	<b>23</b>	20
	<b>3,390</b>	3,758

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

	2024	2023
	RMB'million	RMB'million
<b>As at 1 January</b>	<b>26</b>	21
Impairment loss/(reversal of impairment loss) recognised (note 5)	<b>1</b>	(3)
<b>As at 30 June</b>	<b>27</b>	18

The Group normally grants a credit period of 30 to 90 days to its debtors. The Group has established a credit risk management policy under which individual credit evaluations are performed on all debtors requiring credit over a certain amount. These evaluations focus on the debtor's past history of making payments when due and current ability to pay, and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. Normally, the Group does not obtain collateral from debtors.

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

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### 16. Trade Receivables and Other Current Assets (Continued)

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

### 17. Cash and Cash Equivalents, Fixed Deposits Held at Banks and Pledged Deposits

	30 June 2024 RMB'million	31 December 2023 RMB'million
Fixed deposits with banks within three months to maturity when placed	3,538	2,427
Cash at bank and in hand	4,542	10,798
Short-term investments <sup>(i)</sup>	1,025	2,003
Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	9,105	15,228
Fixed deposits with banks with more than three months to maturity when placed		
– Current portion	18,585	21,448
– Non-current portion	19,747	11,836
Pledged deposits <sup>(ii)</sup>		
– Current portion	155	5
– Non-current portion	241	–
<b>Total <sup>(iii)</sup></b>	<b>47,833</b>	<b>48,517</b>

(i) The short-term investments comprise national debt reverse repurchase products, being highly liquid debt securities with fixed maturities (within three months from subscription date) and determinable returns, and subject to insignificant risk of changes in value.

(ii) As at 30 June 2024, certain bank deposits have been pledged as security for certain contracts.

(iii) As at 30 June 2024, the balances, deposits and short-term investments that were placed with banks and financial institutions in Mainland China amounted to RMB30,018 million (31 December 2023: RMB28,440 million). Remittance of funds out of Mainland China is subject to applicable laws and regulations of foreign exchange control.

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

	30 June 2024 RMB'million	31 December 2023 RMB'million
Big 4 domestic banks (and their subsidiaries)	17,619	22,496
Other reputable and sizeable domestic shareholding commercial banks (and their subsidiaries)	22,415	19,291
Reputable domestic non-bank financial institutions	1,000	2,003
Highly reputable and sizeable foreign-owned banks	6,799	4,727
	<b>47,833</b>	<b>48,517</b>

The breakdown by currencies is as follows:

	30 June 2024 RMB'million	31 December 2023 RMB'million
Renminbi	27,416	26,736
United States Dollars	18,622	21,135
Euro	1,070	35
Hong Kong Dollars	634	486
Singapore Dollars	39	72
Others	52	53
	<b>47,833</b>	<b>48,517</b>

## 18. Borrowings

	Note	30 June 2024 RMB'million	31 December 2023 RMB'million
<b>Current</b>			
Bank loans	(a)	83	1,082
Bills payable (financing in nature)	(b)	3,500	2,900
Convertible bonds	(c)	7,955	–
Medium term notes	(d)	14	14
		<b>11,552</b>	3,996
<b>Non-Current</b>			
Bank loans	(a)	3,383	2,491
Convertible bonds	(c)	–	7,965
Medium term notes	(d)	499	492
		<b>3,882</b>	10,948
<b>Total</b>		<b>15,434</b>	14,944

### (a) Bank loans

All bank loans were unsecured, denominated in Renminbi and measured at amortised cost.

### (b) Bills payable (financing in nature)

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

### (c) Convertible bonds

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

Each convertible bonds could, at the option of the holder, be convertible on or after the date which is 41 days after 5 February 2020 up to the date falling 10 days prior to 5 February 2025 into fully paid ordinary shares with a par value of HKD0.10 each of the Company (the "Shares"). The number of Shares to be issued shall be determined by dividing the principal amount of the convertible bonds to be converted (translated into Hong Kong dollars at the pre-determined fixed rate of HKD8.6466 = EUR1.00 under the terms and conditions of the convertible bonds) by the conversion price in effect on the relevant conversion date.

The outstanding principal amount of the convertible bonds is repayable by the Group upon the maturity of the convertible bonds on 5 February 2025, if not previously redeemed, converted or purchased and cancelled. The convertible bonds may be redeemed, on giving not less than 30 nor more than 60 days' notice to the bondholders, in whole but not in part, at its option of the Group, at their principal amount on the date specified in the optional redemption notice, at any time if prior to the date the relevant optional redemption notice is given, conversion rights have been exercised and/or purchased (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in aggregate principal amount of the convertible bonds originally issued.

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(Expressed in Renminbi unless otherwise indicated)

### 18. Borrowings (Continued)

#### (c) Convertible bonds (Continued)

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

As at 30 June 2024, the total outstanding principal amount of the convertible bonds was EUR1,000 million (equivalent to RMB8,013 million). There had not been any exercise of conversion right of the convertible bonds and no redemption right had been exercised by the bondholders or the Group during the reporting period.

Based on the applicable conversion price of HKD98.45 on that date and assuming full conversion of the convertible bonds, the convertible bonds would be convertible into 87,827,324 conversion shares.

#### (d) Medium term notes

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

As at 30 June 2024, the outstanding medium term notes issued are as follows:

	Coupon rate (per annum)	Tenor	Due date	Principal amount RMB'million
22安踏体育MTN001 (绿色) (22 ANTA SPORTS MTN001(GREEN)*)	2.80%	3 years	13 July 2025	500

\* The English translation of the medium term notes names is for reference only. The official names of these medium term notes are in Chinese.

### 19. Trade Payables and Other Current Liabilities

	30 June 2024 RMB'million	31 December 2023 RMB'million
<b>Trade payables</b>	<b>3,751</b>	3,195
<b>Other current liabilities:</b>		
Refund liabilities <sup>(i)</sup>	<b>223</b>	289
Contract liabilities	<b>1,056</b>	1,118
Construction costs payables	<b>504</b>	503
VAT and other taxes payables	<b>629</b>	839
Accruals	<b>1,900</b>	2,687
Others	<b>2,854</b>	2,377
	<b>7,166</b>	7,813

(i) The Group recognises a refund liability for the consideration received or receivable of which the Group does not expect to be entitled.

All of the trade payables and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

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

	30 June 2024 RMB'million	31 December 2023 RMB'million
Within 3 months	<b>3,725</b>	3,179
3 months to 6 months	<b>13</b>	3
Over 6 months	<b>13</b>	13
	<b>3,751</b>	3,195

## 20. Taxation in the Condensed Consolidated Statement of Financial Position

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

Current taxation in the condensed consolidated statement of financial position represents provisions for PRC Corporate Income Tax of RMB2,001 million (31 December 2023: RMB2,811 million) and income taxes in other tax jurisdictions of RMB15 million (31 December 2023: RMB14 million).

### (b) Deferred tax assets and liabilities recognised

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

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

	Dividend withholding tax RMB'million	Right-of-use assets RMB'million	Other deferred tax liabilities RMB'million	Accruals RMB'million	Lease liabilities RMB'million	Other deferred tax assets RMB'million	Total RMB'million
<b>As at 1 January 2023 (as previously reported)</b>	661	–	30	(310)	–	(1,068)	(687)
Effect of the initial application of amendments to IAS/HKAS 12, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	–	1,505	–	–	(1,637)	132	–
<b>As at 1 January 2023 (as restated)</b>	661	1,505	30	(310)	(1,637)	(936)	(687)
Charged/(credited) to profit or loss (note 6)	289	(135)	(2)	32	147	6	337
Released upon distribution of dividends (note 6(iii))	(79)	–	–	–	–	–	(79)
<b>As at 30 June 2023</b>	871	1,370	28	(278)	(1,490)	(930)	(429)
<b>As at 1 January 2024</b>	<b>753</b>	<b>1,484</b>	<b>102</b>	<b>(393)</b>	<b>(1,604)</b>	<b>(854)</b>	<b>(512)</b>
Charged/(credited) to profit or loss (note 6)	<b>318</b>	<b>(93)</b>	<b>(26)</b>	<b>(10)</b>	<b>76</b>	<b>78</b>	<b>343</b>
Released upon distribution of dividends (note 6(iii))	<b>(347)</b>	–	–	–	–	–	<b>(347)</b>
<b>As at 30 June 2024</b>	<b>724</b>	<b>1,391</b>	<b>76</b>	<b>(403)</b>	<b>(1,528)</b>	<b>(776)</b>	<b>(516)</b>

## NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

### 20. Taxation in the Condensed Consolidated Statement of Financial Position (Continued)

#### (b) Deferred tax assets and liabilities recognised (Continued)

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

	30 June 2024 RMB'million	31 December 2023 RMB'million
Amount recognised in the condensed consolidated statement of financial position:		
– Deferred tax assets	(1,316)	(1,367)
– Deferred tax liabilities	800	855
	(516)	(512)

#### (c) Deferred tax assets not recognised

As at 30 June 2024, certain subsidiaries of the Group have not recognised deferred tax assets in respect of cumulative tax losses carried forward of RMB921 million (31 December 2023: RMB817 million) of which RMB464 million (31 December 2023: RMB444 million) will expire within 5 years under the current tax legislation. These cumulative tax losses have not been recognised as a deferred tax asset as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

#### (d) Deferred tax liabilities not recognised

As at 30 June 2024, temporary differences relating to the undistributed profits of certain subsidiaries of the Group in Mainland China amounted to RMB17,135 million (31 December 2023: RMB15,490 million). Deferred tax liabilities of RMB853 million (31 December 2023: RMB771 million) have not been recognised in respect of the withholding tax that would be payable on the distribution of these retained profits, as the Company controls the dividend policy of these subsidiaries in Mainland China and the Company has determined that these profits are not likely to be distributed in foreseeable future.

## 21. Capital, Reserves and Dividends

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

		Shares held for share award scheme	Share premium	Capital reserve	Statutory reserve	Fair value reserve (non-recycling)	Exchange reserve	Share-based compensation reserve	Convertible bonds related reserve	Share of reserves of a joint venture/ an associate	Retained profits	Total reserves
	Note	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
		Note 21(i)	Note 21(b)	Note 21(c)	Note 21(d)	Note 21(e)	Note 21(f)	Note 21(g)				
<b>Balances as at 1 January 2024</b>		(630)	15,188	176	2,021	4	535	536	463	(14)	32,909	51,188
<b>Changes in equity for the six months ended 30 June 2024:</b>												
- Profit for the period		-	-	-	-	-	-	-	-	-	7,721	7,721
- Other comprehensive income for the period		-	-	-	-	14	980	-	-	59	-	1,053
Total comprehensive income for the period		-	-	-	-	14	980	-	-	59	7,721	8,774
Dividends approved in respect of the previous year	21(j)	-	-	-	-	-	-	-	-	-	(3,044)	(3,044)
Shares purchased under share award scheme	21(i)	(56)	-	-	-	-	-	-	-	-	-	(56)
Equity-settled share-based payment transactions	21(g)	-	-	-	-	-	-	116	-	-	-	116
Vesting of awarded shares of share award scheme	21(i)	162	41	-	-	-	-	(203)	-	-	-	-
Share of other reserves of a joint venture	12	-	-	-	-	-	-	-	-	2	-	2
Share of other reserves of an associate	13	-	-	-	-	-	-	-	-	181	-	181
Reclassification of relevant reserves arising from equity dilution under the Amer Sports Listing	12	-	-	-	-	-	(120)	-	-	(30)	23	(127)
Appropriation to statutory reserve	21(d)	-	-	-	67	-	-	-	-	-	(67)	-
<b>Balances as at 30 June 2024</b>		(524)	15,229	176	2,088	18	1,395	449	463	198	37,542	57,034

## NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

### 21. Capital, Reserves and Dividends (Continued)

	Shares held for share award scheme	Share premium	Capital reserve	Statutory reserve	Fair value reserve (non-recycling)	Exchange reserve	Share-based compensation reserve	Convertible bonds related reserve	Share of reserves of a joint venture	Retained profits	Total reserves
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Note	Note 21(j)	Note 21(b)	Note 21(c)	Note 21(d)	Note 21(e)	Note 21(f)	Note 21(g)				
<b>Balances as at 1 January 2023</b>	(583)	4,681	176	1,927	(16)	6	407	463	114	26,963	34,138
<b>Changes in equity for the six months ended 30 June 2023:</b>											
- Profit for the period	-	-	-	-	-	-	-	-	-	4,748	4,748
- Other comprehensive income/ (loss) for the period	-	-	-	-	1	1,009	-	-	(131)	-	879
Total comprehensive income for the period	-	-	-	-	1	1,009	-	-	(131)	4,748	5,627
<hr/>											
Dividends approved in respect of the previous year	21(j)	-	-	-	-	-	-	-	-	(1,852)	(1,852)
Shares allotted and issued under a placing and subscription agreement	21(a)	-	10,487	-	-	-	-	-	-	-	10,487
Equity-settled share-based payment transactions	21(g)	-	-	-	-	-	105	-	-	-	105
Vesting of awarded shares of share award scheme	21(i)	66	20	-	-	-	(86)	-	-	-	-
Share of other reserves of a joint venture	12	-	-	-	-	-	-	-	(76)	-	(76)
Appropriation to statutory reserve	21(d)	-	-	-	35	-	-	-	-	(35)	-
<b>Balances as at 30 June 2023</b>	(517)	15,188	176	1,962	(15)	1,015	426	463	(93)	29,824	48,429

## 21. Capital, Reserves and Dividends (Continued)

### (a) Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

On 17 April 2023, certain vendors which are the shareholders of the Company (collectively the "Vendors"), certain agents (collectively the "Placing Agents") and the Company entered into a placing and subscription agreement pursuant to which (i) the Vendors agreed to sell, and each of the Placing Agents agreed, to procure, as agent of the Vendors, places for (or failing which, to purchase for and on behalf of itself) an aggregate of 119,000,000 existing Shares held by the Vendors (the "Placing Share(s)") at placing price of HKD99.18 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 119,000,000 new Shares (the "Subscription Share(s)", equivalent to the number of the Placing Shares sold by the Vendors pursuant to the Placing) at subscription price (being the same as the placing price) of HKD99.18 per Subscription Share (the "Subscription").

The completion of the Placing and the Subscription took place on 20 April 2023 and 27 April 2023, respectively.

The net proceeds of the Subscription (after deducting all relevant expenses in connection with the Placing and the Subscription) approximately were RMB10,497 million, out of which RMB10 million was credited to share capital and RMB10,487 million 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 HKD144 million (equivalent to RMB141 million) were assigned to Anta Enterprise at a consideration of HKD1.0. This assignment of debt was reflected as a reduction in the advances from the controlling shareholders and a corresponding increase in the capital reserve during 2007.

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

### (d) Statutory reserve

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

### (e) Fair value reserve (non-recycling)

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

### (f) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Group entities presented in other currencies to Renminbi.

# NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 21. Capital, Reserves and Dividends (Continued)

### (g) Share-based compensation reserve

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

### (h) Share option scheme

#### *2023 Share Option Scheme*

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting dated 10 May 2023, the Company adopted a share option scheme ("2023 Share Option Scheme"). The 2023 Share Option Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

Pursuant to the 2023 Share Option Scheme, the Board shall be entitled at any time at its absolute discretion to select any eligible participant for participation in the 2023 Share Option Scheme as a selected participant and to offer the grant of an option to any selected participant to subscribe at the exercise price for such number of Shares as the Board may determine. Upon exercise of the option and payment of the exercise price by the relevant grantee, the Board shall allot and issue new Shares to the grantee.

No options were granted, exercised, lapsed or cancelled under the 2023 Share Option Scheme during the reporting period. As at 30 June 2024, there were no outstanding options under the 2023 Share Option Scheme.

### (i) Share award scheme

#### *2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision)*

The Company adopted a share award scheme ("2018 Share Award Scheme") on 19 October 2018 by a resolution passed by the Board. The 2018 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 19 October 2018.

To bring the Company's 2018 Share Award Scheme in line with the new requirements of Chapter 17 of the Listing Rules, on 21 March 2023, the Company amended the 2018 Share Award Scheme such that, from 10 May 2023, only grant of awards involving existing Shares may be made thereunder and no further grant of awards involving new Shares may be made under the revised 2018 Share Award Scheme ("2018 Share Award Scheme (2023 Revision)").

Pursuant to the 2018 Share Award Scheme (2023 Revision), the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2018 Share Award Scheme (2023 Revision) and being independent of and not connected with the Company) for purchase of Shares on or off the Hong Kong Stock Exchange. Once purchased, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2018 Share Award Scheme (2023 Revision) and the related trust deed.

During the reporting period, the number and weighted average fair value of the awarded Shares granted were 3,640,644 Shares and HKD86.90 per awarded Share, respectively (2023: Nil).

The fair value of the awarded Shares was measured based on the market price of the Company's Shares at the respective grant date. No expected dividends were incorporated into the measurement of fair value.

During the reporting period, 800,000 Shares (2023: Nil) were purchased on the Hong Kong Stock Exchange, and no new Shares (2023: Nil) were subscribed, by the trustee of the 2018 Share Award Scheme (and the 2018 Share Award Scheme (2023 Revision)). Total consideration paid for the said purchases during the reporting period, including all relevant expenses, were RMB56 million (2023: Nil).

As at 30 June 2024, the trustee of the 2018 Share Award Scheme (2023 Revision) held a total of 19,202,621 Shares (31 December 2023: 21,172,302 Shares).

During the reporting period, 2,769,681 awarded Shares (2023: 1,180,299) with a total amount of RMB162 million (2023: RMB66 million) were vested, resulting in the transfer out of RMB203 million (2023: RMB86 million) from the share-based compensation reserve, with the difference of RMB41 million (2023: RMB20 million) credited to share premium account. 427,668 awarded Shares were lapsed during the reporting period (2023: 780,450).

As at 30 June 2024, the total number of awarded Shares granted but not vested (subject to certain vesting conditions) under the 2018 Share Award Scheme (2023 Revision) was 12,434,394 (31 December 2023: 11,991,099).

## 21. Capital, Reserves and Dividends (Continued)

### (i) Share award scheme (Continued)

#### 2023 Share Award Scheme

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting dated 10 May 2023, the Company adopted a share award scheme ("2023 Share Award Scheme") pursuant to which only grant of awards involving new Shares may be made. The 2023 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

Pursuant to the 2023 Share Award Scheme, the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2023 Share Award Scheme and being independent of and not connected with the Company) for subscription of Shares at their nominal value. Once subscribed, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2023 Share Award Scheme and the related trust deed.

During the reporting period, no new Shares (2023: Nil) were subscribed by the trustee of the 2023 Share Award Scheme.

As at 30 June 2024, no Shares were held by the trustee of the 2023 Share Award Scheme (31 December 2023: Nil).

No awarded Shares were granted, vested, lapsed or cancelled under the 2023 Share Award Scheme during the reporting period (2023: Nil). As at 30 June 2024, there were no unvested awarded Shares under the 2023 Share Award Scheme (31 December 2023: Nil).

### (j) Dividends

#### (i) Dividends payable to equity shareholders of the Company attributable to the current financial year

	Six months ended 30 June	
	2024	2023
	RMB'million	RMB'million
Interim dividend declared after the end of the reporting period of HK118 cents per ordinary share (2023: HK82 cents per ordinary share)	<b>3,079</b>	2,170

The interim dividend declared after the end of the reporting period has not been recognised as liabilities as at the end of the reporting period.

#### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year

	Six months ended 30 June	
	2024	2023
	RMB'million	RMB'million
Final dividend in respect of the year ended 31 December 2023, approved and paid during the reporting period, of HK115 cents per ordinary share (2022: HK72 cents per ordinary share)	<b>3,044</b>	1,852

## NOTES TO THE INTERIM FINANCIAL REPORT

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### 22. Fair Values Measurement of Financial Instruments

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

##### Fair value hierarchy

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

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

	Fair value measurements as at 30 June 2024 categorised into			
	Total RMB'million	Level 1 RMB'million	Level 2 RMB'million	Level 3 RMB'million
<b>Recurring fair value measurements</b>				
<b>Financial assets:</b>				
Equity instruments:				
– Unlisted equity investments	108	–	–	108
– Listed perpetual bonds	1,832	1,832	–	–
Debt securities:				
– Unlisted debt securities	1,861	–	1,861	–
Derivative financial instruments:				
– Forward foreign exchange contracts	14	–	14	–

	Fair value measurements as at 31 December 2023 categorised into			
	Total RMB'million	Level 1 RMB'million	Level 2 RMB'million	Level 3 RMB'million
<b>Recurring fair value measurements</b>				
<b>Financial assets:</b>				
Equity instruments:				
– Unlisted equity investments	99	–	–	99
– Listed perpetual bonds	1,431	1,431	–	–

During the six months ended 30 June 2024 and 2023, 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 and reflected both the time value and the intrinsic value, taking into account the terms and conditions of the contracts.

##### Information about Level 3 fair value measurements

The fair values of the unlisted equity investments are determined by using the adjusted net assets value method, with unobservable inputs of net assets value. The fair value measurements are positively correlated to the net assets value.

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

The carrying amounts of all financial assets and liabilities measured at amortised cost are not materially different from their fair values as at 30 June 2024 and 31 December 2023.

## 23. Capital Commitments

Capital commitments outstanding as at 30 June 2024 not provided for in the interim financial report were as follows:

	30 June 2024 RMB'million	31 December 2023 RMB'million
<b>Contracted for</b>		
– Property, plant and equipment	2,026	2,654
– Intangible assets	85	83
	<b>2,111</b>	2,737
<b>Authorised but not contracted for</b>		
– Property, plant and equipment	239	342
– Intangible assets	90	108
	<b>329</b>	450
	<b>2,440</b>	3,187

## 24. Material Related Party Transactions

### (a) Transactions with related parties

	Six months ended 30 June	
	2024	2023
	RMB'million	RMB'million
<b>Recurring transactions</b>		
Purchases of raw materials		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	42	47
Service fee expenses		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	10	11
Sales of goods of OEM business		
– Amer Sports, Inc./AS Holding and its subsidiaries	81	–
Purchase of finished goods		
– Amer Sports, Inc./AS Holding and its subsidiaries	78	–
Service income		
– Amer Sports, Inc./AS Holding and its subsidiaries	15	–

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

## NOTES TO THE INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

### 24. Material Related Party Transactions (Continued)

#### (b) Balances with related parties

	30 June 2024 RMB'million	31 December 2023 RMB'million
<b>Amounts due from related parties</b>		
Other balance		
– Amer Sports, Inc. and its subsidiaries	57	49
<b>Amounts due to related parties</b>		
Trade balances		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	17	21
– Amer Sports, Inc. and its subsidiaries	46	5
Other balance		
– Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian (and their associates)	3	6
	<b>66</b>	<b>32</b>

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 2024 RMB'million	2023 RMB'million
Short-term employee benefits	7	14
Equity-settled share-based payment transactions	2	4
	<b>9</b>	<b>18</b>

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

### 25. Non-adjusting Events After the Reporting Period

- (a) After the end of the reporting period, the board of directors of the Company declared an interim dividend of HK118 cents per share. Further details are disclosed in note 21(j).
- (b) After the end of the reporting period, the Board intends to exercise its power under the general mandate to repurchase Shares granted by the Shareholders to the Board by the resolution passed at the AGM held on 8 May 2024 (the "Repurchase Mandate"). The Board has decided that, subject to market conditions, the Company intends to utilise up to HKD10 billion for repurchasing its Shares on the open market from time to time from 27 August 2024 for a period of 18 months (the "Share Repurchase Plan"). The Company will finance the repurchase of Shares from its existing available cash reserves, and any Shares repurchased under the Share Repurchase Plan will be cancelled.

## OTHER INFORMATION

### Interim Dividend

The Board has declared an interim dividend of HK118 cents per ordinary share in respect of the six months ended 30 June 2024. The interim dividend will be payable on or about Monday, 23 September 2024 to shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Tuesday, 10 September 2024.

### Disclosure of Interests

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

As at 30 June 2024, 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 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	Approximate percentage of interest in such corporation <sup>(1)</sup>
Mr. Ding Shizhong	Company	Founder of a discretionary trust	1,486,946,000 (L) <sup>(4)</sup>	–	52.49%
	Anta International	Founder of a discretionary trust	503,172,690 (L) <sup>(4)</sup>	–	34.06%
	Anta International	Interest in controlled corporation	18,267,273 (L) <sup>(4)</sup>	–	1.24%
	Amer Sports, Inc.	Founder of a discretionary trust	232,328,780 (L) <sup>(5)</sup>	–	45.98%
	Amer Sports, Inc.	Founder of a discretionary trust	3,800,000 (L) <sup>(5)</sup>	–	0.75%
Mr. Ding Shijia	Company	Founder of a discretionary trust	1,478,500,000 (L) <sup>(6)</sup>	–	52.20%
	Anta International	Founder of a discretionary trust	495,300,570 (L) <sup>(6)</sup>	–	33.52%
	Amer Sports, Inc.	Founder of a discretionary trust	232,328,780 (L) <sup>(7)</sup>	–	45.98%
	Amer Sports, Inc.	Founder of a discretionary trust	3,800,000 (L) <sup>(7)</sup>	–	0.75%
Mr. Lai Shixian	Company	Beneficial owner	891,955 (L)	–	0.03%
	Anta International	Beneficiary of a discretionary trust/Interest of spouse	146,189,463 (L) <sup>(8)</sup>	–	9.89%
	Anta International	Interest in controlled corporation	39,961,734 (L) <sup>(8)</sup>	–	2.70%
Mr. Wu Yonghua	Anta International	Founder of a discretionary trust	78,136,038 (L) <sup>(9)</sup>	–	5.29%
	Amer Sports, Inc.	Beneficial owner	536,791 (L)	–	0.11%
Mr. Zheng Jie	Company	Beneficial owner	950,000 (L)	–	0.03%
	Amer Sports, Inc.	Beneficial owner	2,049,861 (L)	2,161,144 (L) <sup>(3)</sup>	0.83%
Mr. Bi Mingwei	Company	Beneficial owner	193,301 (L)	–	0.01%
	Company	Beneficiary of a trust (other than a discretionary interest)	–	100,000 (L) <sup>(2)</sup>	0.00%
Mr. Yiu Kin Wah Stephen	Company	Beneficial owner	33,000 (L)	–	0.00%
	Amer Sports, Inc.	Beneficial owner	9,000 (L)	13,461 (L) <sup>(3)</sup>	0.00%

(L) – Long Position

## OTHER INFORMATION

### Notes:

- (1) As at 30 June 2024, the number of issued ordinary shares of the Company, of Anta International and of Amer Sports, Inc. were 2,832,623,500, 1,477,500,000 and 505,249,607, respectively.
- (2) The interests in underlying Shares represent the interests in awarded shares granted pursuant to the 2018 Share Award Scheme (2023 Revision), details of which are set out in the section entitled "2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision)" under "Share Schemes" below.
- (3) The interests in underlying shares represent the interests in invested share granted (subject to certain vesting conditions) pursuant to an incentive plan of Amer Sports, Inc..
- (4) A total of 1,477,500,000 Shares were directly held by Anta International and its wholly-owned subsidiaries, and 9,446,000 Shares were directly held by Shine Well (Far East) Limited ("Shine Well"), representing 52.16% and 0.33% of the issued Shares as at 30 June 2024 respectively. Shine Well directly held 503,172,690 shares of Anta International, representing 34.06% of the issued shares of Anta International as at 30 June 2024, and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International, and therefore was deemed to be interested in all the Shares held by Anta International. The entire issued shares of Shine Well was held by Top Bright Assets Limited ("Top Bright"). The entire issued shares of Top Bright was in turn held by HSBC International Trustee Limited ("HSBC Trustee") acting as the trustee of the DSZ Family Trust. The DSZ Family Trust was an irrevocable discretionary trust. Mr. Ding Shizhong as the founder of the DSZ Family Trust was deemed to be interested in the total 1,486,946,000 Shares held by Anta International and Shine Well and the 503,172,690 shares of Anta International held by Shine Well. 18,267,273 shares of Anta International, representing 1.24% of the issued shares of Anta International as at 30 June 2024, were directly held by Blossom Prospect Limited ("Blossom Prospect"). Mr. Ding Shizhong held 50% of the issued shares of Blossom Prospect and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Blossom Prospect, and therefore was deemed to be interested in the 18,267,273 shares of Anta International held by Blossom Prospect.
- (5) By virtue of SFO, Mr. Ding Shizhong is deemed to be interested in (i) 232,328,780 shares of Amer Sports, Inc. through his interest in the Company; and (ii) 3,800,000 shares of Amer Sports, Inc. directly held by Zhi Sheng Overseas Holdings Limited.
- (6) A total of 1,477,500,000 Shares were directly held by Anta International and its wholly-owned subsidiaries, and 1,000,000 Shares were directly held by Talent Trend Investment Limited ("Talent Trend"), representing 52.16% and 0.04% of the issued Shares as at 30 June 2024 respectively. Talent Trend directly held 495,300,570 shares of Anta International, representing 33.52% of the issued shares of Anta International as at 30 June 2024, and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Anta International, and therefore was deemed to be interested in all the Shares held by Anta International. The entire issued shares of Talent Trend was held by Allwealth Assets Limited ("Allwealth"). The entire issued shares of Allwealth was in turn held by HSBC Trustee acting as the trustee of the DSJ Family Trust. The DSJ Family Trust was an irrevocable discretionary trust. Mr. Ding Shijia as the founder of the DSJ Family Trust was deemed to be interested in the total 1,478,500,000 Shares held by Anta International and Talent Trend and the 495,300,570 shares of Anta International held by Talent Trend.
- (7) By virtue of SFO, Mr. Ding Shijia is deemed to be interested in (i) 232,328,780 shares of Amer Sports, Inc. through his interest in the Company; and (ii) 3,800,000 shares of Amer Sports, Inc. directly held by He Sheng Overseas Holdings Limited.
- (8) Certain interests of Mr. Lai Shixian in Anta International were held through Gain Speed Holdings Limited ("Gain Speed"), which directly held 146,189,463 shares of Anta International, representing 9.89% of the issued shares of Anta International as at 30 June 2024. The entire issued shares of Gain Speed was held by Spring Star Assets Limited. The entire issued shares of Spring Star Assets Limited was in turn held by HSBC Trustee acting as the trustee of the DYL Family Trust. The DYL Family Trust was an irrevocable discretionary trust. Ms. Ding Yali as the founder of the DYL Family Trust was deemed to be interested in the 146,189,463 shares of Anta International held by Gain Speed. Mr. Lai Shixian as one of the beneficiaries of the DYL Family Trust and as the spouse of Ms. Ding Yali was deemed to be interested in the 146,189,463 shares of Anta International held by Gain Speed. 18,267,273 shares of Anta International, representing 1.24% of the issued shares of Anta International as at 30 June 2024, were directly held by Blossom Prospect. Mr. Lai Shixian held 50% of the issued shares of Blossom Prospect and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Blossom Prospect, and therefore was deemed to be interested in the 18,267,273 shares of Anta International held by Blossom Prospect. 21,694,461 shares of Anta International, representing 1.47% of the issued shares of Anta International as at 30 June 2024, were directly held by First Start Investment Limited ("First Start"). Mr. Lai Shixian held 90% of the issued shares of First Start and was entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of First Start, and therefore was deemed to be interested in the 21,694,461 shares of Anta International held by First Start.
- (9) The interests of Mr. Wu Yonghua in Anta International were held through Spread Wah International Limited ("Spread Wah"), which directly held 78,136,038 shares of Anta International, representing 5.29% of the issued shares of Anta International as at 30 June 2024. The entire issued shares of Spread Wah was held by Allbright Assets Limited. The entire issued shares of Allbright Assets Limited was in turn held by HSBC Trustee acting as the trustee of the WYH Family Trust. The WYH Family Trust was an irrevocable discretionary trust. Mr. Wu Yonghua as the founder of the WYH Family Trust was deemed to be interested in the 78,136,038 shares of Anta International held by Spread Wah.

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had otherwise been notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## Interests and Short Positions of Substantial Shareholders

As at 30 June 2024, 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, or which were notified to the Company, were as follows:

### Interests in Shares and/or underlying Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares/ underlying Shares interested	Approximate percentage of interest in the Company
HSBC Trustee	Trustee <sup>(1)</sup>	1,487,961,400 (L)	52.53%
Top Bright	Interest in controlled corporation <sup>(1)</sup>	1,486,946,000 (L)	52.49%
Shine Well	Interest in controlled corporation <sup>(1)</sup>	1,477,500,000 (L)	52.16%
	Beneficial owner <sup>(1)</sup>	9,446,000 (L)	0.33%
Allwealth	Interest in controlled corporation <sup>(1)</sup>	1,478,500,000 (L)	52.20%
Talent Trend	Interest in controlled corporation <sup>(1)</sup>	1,477,500,000 (L)	52.16%
	Beneficial owner <sup>(1)</sup>	1,000,000 (L)	0.04%
Anta International	Beneficial owner <sup>(2)</sup>	1,201,125,000 (L)	42.40%
	Interest in controlled corporation <sup>(2)</sup>	276,375,000 (L)	9.76%
Anda Holdings	Beneficial owner	160,875,000 (L)	5.68%

(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 42.40%, 5.68%, 4.08%, 0.33% and 0.04% of the issued Shares, respectively. In addition, HSBC Trustee also held 15,400 Shares as trustee for persons unrelated to the substantial shareholders.

HSBC Trustee was the trustee of the DSZ Family Trust, the DSJ Family Trust, the WYH Family Trust and the DYL Family Trust, and it held the entire issued shares of Top Bright and Allwealth, which in turn held the entire issued shares 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 1,201,125,000 Shares directly held by Anta International. Anta International held the entire issued shares of each of Anda Holdings and Anda Investments and therefore was deemed to be interested in the 160,875,000 Shares and the 115,500,000 Shares directly held by Anda Holdings and Anda Investments, respectively. Accordingly, HSBC Trustee, Top Bright, Allwealth, Shine Well and Talent Trend were deemed to be interested in the total 1,477,500,000 Shares held by Anta International and its wholly-owned subsidiaries. 9,446,000 Shares were held by Shine Well directly. Accordingly, HSBC Trustee and Top Bright 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 were also deemed to be interested in the 1,000,000 Shares held by Talent Trend.

(2) 1,201,125,000 Shares were directly held by Anta International. 160,875,000 Shares and 115,500,000 Shares were directly held by Anda Holdings and Anda Investments, respectively. Each of Anda Holdings and Anda Investments was wholly-owned by Anta International and therefore was a controlled corporation of Anta International. Accordingly, Anta International was deemed to be interested in the 160,875,000 Shares held by Anda Holdings and the 115,500,000 Shares held by Anda Investments.

Save as disclosed above, as at 30 June 2024, 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.

## OTHER INFORMATION

### Convertible Bonds

On 5 February 2020, the Group completed the issuance of EUR1,000 million zero coupon convertible bonds due on 5 February 2025 and the convertible bonds are listed on the Singapore Stock Exchange.

The conversion price per conversion share is subject to adjustments in accordance with the terms and conditions of the convertible bonds, and was adjusted to HKD98.45 as at 30 June 2024. For details of the adjustment of the conversion price during the financial period, please refer to the announcement of the Company dated 8 May 2024.

As at 30 June 2024, the total outstanding principal amount of the convertible bonds was EUR1,000 million (equivalent to RMB8,013 million). There had not been any exercise of conversion right of the convertible bonds and no redemption right had been exercised by the bondholders or the Group during the financial period.

As at 30 June 2024, the total number of the issued shares of the Company is 2,832,623,500. Based on the applicable conversion price of HKD98.45 on that date and assuming full conversion of the convertible bonds, the convertible bonds will be convertible into 87,827,324 conversion shares, representing approximately 3.10% of the issued Shares and approximately 3.01% of the issued Shares as enlarged by the issuance of such conversion shares (assuming that there is no other change to the issued Shares).

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

Assuming the convertible bonds were fully converted on 30 June 2024, the shareholdings of the Company immediately before and after the full conversion of the convertible bonds are set out below for illustration purposes:

Name of Shareholders	Shareholding immediately before the full conversion of the convertible bonds		Upon full conversion of the convertible bonds at the conversion price of HKD98.45 each	
	Number of Shares	Approximate % of issued shares of the Company	Number of Shares	Approximate % of issued shares of the Company
Anta International <sup>(1)</sup>	1,201,125,000	42.40%	1,201,125,000	41.13%
Anda Holdings <sup>(1)</sup>	160,875,000	5.68%	160,875,000	5.51%
Anda Investments <sup>(1)</sup>	115,500,000	4.08%	115,500,000	3.95%
Shine Well	9,446,000	0.33%	9,446,000	0.32%
Talent Trend	1,000,000	0.04%	1,000,000	0.03%
Hemin Holdings <sup>(2)</sup>	84,500,000	2.98%	84,500,000	2.89%
Bondholders	–	–	87,827,324	3.01%
Other Shareholders	1,260,177,500	44.49%	1,260,177,500	43.16%
Total	2,832,623,500	100.00%	2,920,450,824	100.00%

Notes:

(1) Each of Anda Holdings and Anda Investments is wholly-owned by Anta International.

(2) Hemin Holdings is a company jointly owned by Mr. Ding Shizhong, Mr. Ding Shijia and their family members.

Based on the cash and cash equivalents and the fixed deposits held at banks with maturity over three months as at 30 June 2024, the Company has the ability to meet its redemption obligation under the convertible bonds.

Please refer to note 18(c) to the interim financial report for further details of the convertible bonds.

### Bondholders to convert or redeem

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

Date	31 December 2024	5 February 2025
Company's share price	HKD102.51	HKD102.62

## Share Schemes

### 2023 Share Option Scheme

Pursuant to a resolution passed by the Shareholders at the AGM dated 10 May 2023, the Company adopted the 2023 Share Option Scheme. The 2023 Share Option Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

The purposes of the 2023 Share Option Scheme are (i) to recognise and reward for the past contributions by eligible participants, including employee participants, related entity participants and service providers; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 283,262,350 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 2% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 56,652,470 Shares).

Pursuant to the 2023 Share Option Scheme, the Board shall be entitled at any time at its absolute discretion to select any eligible participant for participation in the 2023 Share Option Scheme as a selected participant and to offer the grant of an option to any selected participant to subscribe at the exercise price for such number of Shares as the Board may determine. Upon exercise of the option and payment of the exercise price by the relevant grantee, the Board shall allot and issue new Shares to the grantee.

## OTHER INFORMATION

Subject to the provisions of the Listing Rules and the 2023 Share Option Scheme, the Board may in its absolute discretion (i) when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2023 Share Option Scheme as the Board may think fit (to be stated in the grant letter) including (without prejudice to the generality of the foregoing) (a) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, (b) the satisfactory performance or maintenance by the grantee of certain conditions or obligations or (c) the time or period before all or some of the options shall be vested; and (ii) at any time after the grant of an option, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2023 Share Option Scheme.

The total number of options available for grant under the scheme mandate of the 2023 Share Option Scheme at the beginning and the end of the financial period was 283,262,350\* and 283,262,350\*, respectively. The total number of options available for grant under the service provider sublimit of the 2023 Share Option Scheme at the beginning and the end of the financial period was 56,652,470\* and 56,652,470\*, respectively.

No options were granted, exercised, lapsed or cancelled under the 2023 Share Option Scheme during the financial period. As at 30 June 2024, there were no outstanding options under the 2023 Share Option Scheme.

The total number of Shares available for issue under the 2023 Share Option Scheme is 283,262,350\*, representing approximately 10% of the issued Shares (excluding treasury Shares, if any), as at the date of this interim report.

\* *The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company.*

### 2018 Share Award Scheme and 2018 Share Award Scheme (2023 Revision)

The Company adopted the 2018 Share Award Scheme on 19 October 2018 by a resolution passed by the Board. The 2018 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 19 October 2018.

To bring the Company's 2018 Share Award Scheme in line with the new requirements of Chapter 17 of the Listing Rules, on 21 March 2023, the Company amended the 2018 Share Award Scheme such that, from 10 May 2023, only grant of awards involving existing Shares may be made thereunder and no further grant of awards involving new Shares may be made under the 2018 Share Award Scheme (2023 Revision).

The purposes of the 2018 Share Award Scheme (2023 Revision) are (i) to recognise and reward for the past contributions by eligible participants, including employee participants; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

The Board shall not make any further award of awarded Shares which will result in the number of the existing Shares awarded by the Board under the 2018 Share Award Scheme (2023 Revision) exceeding 10% of the number of the Company's issued Shares (excluding treasury Shares, if any) from time to time.

Pursuant to the 2018 Share Award Scheme (2023 Revision), the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2018 Share Award Scheme (2023 Revision) and being independent of and not connected with the Company) for purchase of Shares on or off the Hong Kong Stock Exchange. Once purchased, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2018 Share Award Scheme (2023 Revision) and the related trust deed.

The Board may, from time to time, at its absolute discretion select any eligible participant for participation in the 2018 Share Award Scheme (2023 Revision) as a selected participant, and grant awarded Shares to any selected participant (i) at such amount payable and time (if any) on acceptance of the award; (ii) at such purchase price (if any) of the awarded Shares; (iii) in such number of awarded Shares; and (iv) on and subject to such terms and conditions, as it may in its absolute discretion determine.

Subject to the provisions of the Listing Rules and the 2018 Share Award Scheme (2023 Revision), the Board may in its absolute discretion (i) when offering the grant of an award impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2018 Share Award Scheme (2023 Revision) as the Board may think fit (to be stated in the grant notice) including (without prejudice to the generality of the foregoing) (a) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, (b) the satisfactory performance or maintenance by the grantee of certain conditions or obligations or (c) the time or period before all or some of the awarded Shares shall be vested, and (ii) at any time after the grant of an award, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2018 Share Award Scheme (2023 Revision).

During the financial period, 800,000 Shares (2023 1H: Nil) were purchased on the Hong Kong Stock Exchange, and no new Shares (2023 1H: Nil) were subscribed, by the trustee of the 2018 Share Award Scheme (and the 2018 Share Award Scheme (2023 Revision)). Total consideration paid for the said purchases during the financial period, including all relevant expenses, were RMB56 million (2023 1H: Nil).

As at 30 June 2024, the trustee of the 2018 Share Award Scheme (2023 Revision) held a total of 19,202,621 Shares (31 December 2023: 21,172,302 Shares).

The total number of awards available for grant under the scheme mandate of 2018 Share Award Scheme (and the 2018 Share Award Scheme (2023 Revision)) at the beginning and the end of the financial period is 264,172,053 and 260,959,077, respectively.

## OTHER INFORMATION

The details of unvested share awards under the 2018 Share Award Scheme (and the 2018 Share Award Scheme (2023 Revision)) during the financial period were as follows:

Name or category of participant	Date of grant	Vesting period	Purchase price	Number of unvested share awards					As at 30 June 2024	
				As at 1 January 2024	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period		
<b>Director</b>										
Mr. Lai Shixian	5 November 2019	5 November 2019 to 1 May 2024	Nil	280,000	-	(280,000) <sup>(2)</sup>	-	-	-	-
Mr. Bi Mingwei	5 November 2019	5 November 2019 to 1 May 2024	Nil	84,000	-	(84,000) <sup>(2)</sup>	-	-	-	-
	24 May 2024	24 May 2024 to 1 May 2025	Nil	-	30,000 <sup>(1)</sup>	-	-	-	-	30,000
	24 May 2024	24 May 2024 to 1 May 2027	Nil	-	70,000 <sup>(1)</sup>	-	-	-	-	70,000
<b>Employees other than above (including ex-employees in aggregate)</b>										
	5 November 2019	5 November 2019 to 1 May 2024	Nil	2,055,200	-	(1,929,782) <sup>(2)</sup>	(125,418)	-	-	-
	2 November 2020	2 November 2020 to 1 May 2024	Nil	201,600	-	(201,600) <sup>(2)</sup>	-	-	-	-
	2 November 2020	2 November 2020 to 1 May 2025	Nil	144,000	-	-	-	-	-	144,000
	1 November 2021	1 November 2021 to 1 May 2024	Nil	163,916	-	(163,916) <sup>(2)</sup>	-	-	-	-
	1 November 2021	1 November 2021 to 1 May 2025	Nil	117,083	-	-	-	-	-	117,083
	1 November 2021	1 November 2021 to 1 May 2026	Nil	117,085	-	-	-	-	-	117,085
	4 April 2022	4 April 2022 to 1 May 2025	Nil	4,987,950	-	-	(177,750)	-	-	4,810,200
	4 April 2022	4 April 2022 to 1 May 2027	Nil	3,325,300	-	-	(118,500)	-	-	3,206,800
	1 November 2022	1 November 2022 to 1 May 2024	Nil	36,050	-	(33,050) <sup>(2)</sup>	(3,000)	-	-	-
	1 November 2022	1 November 2022 to 1 May 2025	Nil	25,750	-	-	-	-	-	25,750
	1 November 2022	1 November 2022 to 1 May 2026	Nil	25,750	-	-	-	-	-	25,750
	1 November 2022	1 November 2022 to 1 May 2027	Nil	25,750	-	-	-	-	-	25,750
	1 November 2023	1 November 2023 to 1 May 2024	Nil	80,333	-	(77,333) <sup>(2)</sup>	(3,000)	-	-	-
	1 November 2023	1 November 2023 to 1 May 2025	Nil	80,333	-	-	-	-	-	80,333
	1 November 2023	1 November 2023 to 1 May 2026	Nil	80,333	-	-	-	-	-	80,333
	1 November 2023	1 November 2023 to 1 May 2027	Nil	80,333	-	-	-	-	-	80,333
	1 November 2023	1 November 2023 to 1 May 2028	Nil	80,333	-	-	-	-	-	80,333
	24 May 2024	24 May 2024 to 1 May 2025	Nil	-	1,062,193 <sup>(1)</sup>	-	-	-	-	1,062,193
24 May 2024	24 May 2024 to 1 May 2027	Nil	-	2,478,451 <sup>(1)</sup>	-	-	-	-	2,478,451	
<b>Total</b>				11,991,099	3,640,644	(2,769,681)	(427,668)	-	-	12,434,394

Notes:

- (1) The awarded shares are subject to certain performance targets with reference to the annual results of the Company and the selected employees' individual key performance indicators for the financial year preceding the respective vesting dates. The closing price of the Shares immediately before the date on which the awarded shares were granted during the financial period was HKD87.30.
- (2) The weighted average closing price of the Shares immediately before the dates on which the awarded shares were vested during the financial period was HKD89.70.

## 2023 Share Award Scheme

Pursuant to a resolution passed by the Shareholders at the AGM dated 10 May 2023, the Company adopted the 2023 Share Award Scheme pursuant to which only grant of awards involving new Shares may be made. The 2023 Share Award Scheme shall be valid and effective for a period of ten years from the adoption of the scheme on 10 May 2023.

The purposes of the 2023 Share Award Scheme are (i) to recognise and reward for the past contributions by eligible participants, including employee participants, related entity participants and service providers; (ii) to retain or otherwise maintain on-going relations with eligible participants; (iii) to give the eligible participants an opportunity to have a personal stake in the Company and help motivate eligible participants to optimise their future contributions to the Group; and (iv) to attract suitable personnel for further growth and development of the Group.

The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 283,262,350 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company, and shall not in aggregate exceed 2% of the total number of issued Shares (excluding treasury Shares, if any) as at the adoption date of the above schemes (i.e. 56,652,470 Shares).

Pursuant to the 2023 Share Award Scheme, the Board may from time to time cause sufficient funds to be paid to the trustee (being appointed for the purpose of the 2023 Share Award Scheme and being independent of and not connected with the Company) for subscription of Shares at their nominal value. Once subscribed, the Shares are to be held by the trustee for the benefit of the grantees and the eligible participants (as applicable). Upon vesting, the trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the trustee for the benefit of the grantees or the eligible participants (as applicable) under the relevant trust on and subject to the terms and conditions of the 2023 Share Award Scheme and the related trust deed.

The Board may, from time to time, at its absolute discretion select any eligible participant for participation in the 2023 Share Award Scheme as a selected participant, and grant awarded Shares to any selected participant (i) at such amount payable and time (if any) on acceptance of the award; (ii) at such purchase price (if any) of the awarded Shares; (iii) in such number of awarded Shares; and (iv) on and subject to such terms and conditions, as it may in its absolute discretion determine.

Subject to the provisions of the Listing Rules and the 2023 Share Award Scheme, the Board may in its absolute discretion (i) when offering the grant of an award impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the 2023 Share Award Scheme as the Board may think fit (to be stated in the grant notice) including (without prejudice to the generality of the foregoing) (a) the qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Group and/or the grantee, (b) the satisfactory performance or maintenance by the grantee of certain conditions or obligations or (c) the time or period before all or some of the awarded Shares shall be vested; and (ii) at any time after the grant of an award, waive or amend such conditions, restrictions or limitations to the advantage of the grantee, provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the 2023 Share Award Scheme.

## OTHER INFORMATION

During the financial period, no new Shares were subscribed by the trustee of the 2023 Share Award Scheme (2023 1H: Nil).

As at 30 June 2024, no Shares were held by the trustee of the 2023 Share Award Scheme (31 December 2023: Nil).

The total number of awards available for grant under the scheme mandate of the 2023 Share Award Scheme at the beginning and the end of the financial period was 283,262,350\* and 283,262,350\*, respectively. The total number of awards available for grant under the service provider sublimit of the 2023 Share Award Scheme at the beginning and the end of the financial period was 56,652,470\* and 56,652,470\*, respectively.

No awarded Shares were granted, vested, lapsed or cancelled under the 2023 Share Award Scheme during the financial period (2023 1H: Nil). As at 30 June 2024, there were no unvested awarded Shares under the 2023 Share Award Scheme (31 December 2023: Nil).

The total number of Shares available for issue under the 2023 Share Award Scheme is 283,262,350\*, representing approximately 10% of the issued Shares (excluding treasury Shares, if any), as at the date of this interim report.

\* *The scheme mandate limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and 2023 Share Award Scheme of the Company.*

The number of Shares that may be issued in respect of options and awards granted under 2023 Share Option Scheme and 2023 Share Award Scheme of the Company during the financial period divided by weighted average number of Shares in issue for the financial period is nil.

## PURCHASES, SALES AND REDEMPTIONS OF LISTED SECURITIES

During the financial period, 800,000 Shares (2023 1H: Nil) were purchased on the Hong Kong Stock Exchange, and no new Shares (2023 1H: Nil) were subscribed, by the trustee of the 2018 Share Award Scheme (and the 2018 Share Award Scheme (2023 Revision)). Total consideration paid for the said purchases during the financial period, including all relevant expenses, were RMB56 million (2023 1H: Nil).

Save as disclosed above, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries (including sale of treasury Shares, if any) during the financial period.

## CORPORATE GOVERNANCE

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

The Company has complied with all the code provisions of the CG Code during the financial period. The Company regularly reviews its corporate governance practices to ensure its continuous compliance.

## Changes in Composition of Board Committees

To enhance the Group's corporate governance, the following changes in the composition of the Board Committees have taken effect from 1 July 2024:

- Remuneration Committee – Mr. Lai Hin Wing Henry Stephen, an independent non-executive Director, ceased to be the chairman of the Remuneration Committee, but remained as a member of the Remuneration Committee. Ms. Xia Lian, an independent non-executive Director and an existing member of the Remuneration Committee, was appointed as the chairman of the Remuneration Committee.
- Nomination Committee – Mr. Lai Shixian, an executive Director and one of the Co-CEOs, ceased to be a member of the Nomination Committee.
- Risk Management Committee – Mr. Yiu Kin Wah Stephen, an independent non-executive Director, ceased to be the chairman of the Risk Management Committee, but remained as a member of the Risk Management Committee. Ms. Wang Jiaqian, an independent non-executive Director and an existing member of the Risk Management Committee, was appointed as the chairman of the Risk Management Committee. Mr. Lai Hin Wing Henry Stephen, an independent non-executive Director, was appointed as a member of the Risk Management Committee.

The Board believes that the above changes would (i) have a stronger independent element on the Nomination Committee which comprised of Independent Non-Executive Directors only; and (ii) achieve a greater balance of expertise among the members of the Board Committees.

Other than the changes set out above, there are no other changes in the composition of the Board Committees.

## Compliance with the Code of Securities Transactions for Directors' Securities Transactions

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

## CHANGE IN DIRECTOR'S INFORMATION

The Company was informed by Mr. Yiu Kin Wah Stephen that after the Company's last published *Annual Report 2023*, Mr. Yiu Kin Wah Stephen has been appointed as a member of the Public Service Commission of the Hong Kong Special Administrative Region, with effect from 1 July 2024.

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

## REVIEW OF INTERIM REPORT

The interim financial report for the six months ended 30 June 2024 is unaudited, but has been reviewed by the Company's auditor, KPMG, 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 with an unqualified opinion, whose report on review of interim financial report is set out on page 41 of this interim report. This interim report, including the interim financial report, has also been reviewed by the Audit Committee and approved by the Board.

# GLOSSARY

## AGM

The annual general meeting of the Company or any adjournment thereof

## AI

Artificial intelligence

## AMER SPORTS

Amer Sports Oy (Amer Sports Corporation), a sporting goods company (with internationally recognised brands including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, etc.) incorporated in the Republic of Finland

## AMER SPORTS, INC.

Amer Sports, Inc., a company incorporated in the Cayman Islands and listed on the New York Stock Exchange (NYSE: AS)

## AMER SPORTS LISTING

The listing of Amer Sports, Inc.'s ordinary shares on the New York Stock Exchange

## ANDA HOLDINGS

Anda Holdings International Limited

## ANDA INVESTMENTS

Anda Investments Capital Limited

## ANTA

ANTA brand

## ANTA INTERNATIONAL

Anta International Group Holdings Limited

## ANTA KIDS

ANTA KIDS brand, which offers ANTA products for children

## ANTA SPORTS/COMPANY

ANTA Sports Products Limited

## ANTA STORE(S)

ANTA retail store(s)

## AS HOLDING

Amer Sports Holding (Cayman) Limited, a joint venture of the Company prior to the completion of the Amer Sports Listing and the Amer Sports Shareholding Reorganisation

## AUDIT COMMITTEE

The audit committee of the Company

## BOARD

The board of directors of the Company

## BOARD COMMITTEE(S)

Committee(s) formed under the Board, including but not limited to the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company

## BVI

The British Virgin Islands

## CDP

Carbon Disclosure Project

## CEO

The chief executive officer/Co-chief executive officer(s) of the Company (as applicable)

## CFO

The chief financial officer of the Company

## CG CODE

Corporate Governance Code set out in Appendix C1 to the Listing Rules

## CHAIRMAN

Chairman of the Board

## CHINA/PRC

People's Republic of China

## COC

Chinese Olympic Committee

## DESCENTE

DESCENTE brand

## DESCENTE STORE(S)

DESCENTE retail store(s)

## DIRECTOR(S)

Director(s) of the Company

## DTC

Direct to Consumer

## EBITDA

Earnings before interest, taxes, depreciation and amortisation

## ESG

Environmental, social and governance

## EURO, EUR

Euro, the lawful currency of European Union

## EXECUTIVE DIRECTOR(S)

Executive director(s) of the Company

## FILA

FILA brand

## FILA FUSION

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

## FILA KIDS

FILA KIDS brand, which offers FILA products for children

## FILA STORE(S)

FILA retail store(s)

## GDP

Gross Domestic Product

## GMV

Gross merchandise volume

## GROUP/ANTA GROUP

The Company and its subsidiaries

## HEMIN HOLDINGS

Hemin Holdings Limited

## HONG KONG/HONG KONG SAR

The Hong Kong Special Administrative Region of the PRC

## HONG KONG DOLLARS, HKD

Hong Kong Dollars, the lawful currency of Hong Kong SAR

## HONG KONG STOCK EXCHANGE/HKEX

The Stock Exchange of Hong Kong Limited

## INDEPENDENT NON-EXECUTIVE DIRECTOR(S)

Independent non-executive director(s) of the Company

## IOC

International Olympic Committee

## IP(S)

Intellectual property(ies)

## KOLON SPORT

KOLON SPORT brand

## KOLON SPORT STORE(S)

KOLON SPORT retail store(s)

## LISTING RULES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

## MACAO/MACAO SAR

The Macao Special Administrative Region of the PRC

## MAIA ACTIVE

MAIA ACTIVE brand

## MAINLAND CHINA

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

## MSCI

Morgan Stanley Capital International Global Standard Index

## NBA

National Basketball Association

## NOMINATION COMMITTEE

The nomination committee of the Company

## NYSE

New York Stock Exchange

## OEM

Original Equipment Manufacturer

## O2O MODEL

Online-to-offline commerce

## PERIOD

6 months ended 30 June 2024

## R&D

Research and development

## REMUNERATION COMMITTEE

The remuneration committee of the Company

## RISK MANAGEMENT COMMITTEE

The risk management committee of the Company

## RMB

Renminbi, the lawful currency of the PRC

## SFO

The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

## SHARE(S)

Ordinary share(s) of HKD0.10 each in the share capital of the Company

## SHAREHOLDER(S)

Shareholder(s) of the Company

## SINGAPORE

Republic of Singapore

## SUSTAINABILITY COMMITTEE

The sustainability committee of the Company

## U.S./UNITED STATES

United States of America

## USD

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

## 2018 SHARE AWARD SCHEME

The original version of share award scheme adopted by the Company on 19 October 2018, before the revision by the Board on 21 March 2023

## 2018 SHARE AWARD SCHEME (2023 REVISION)

The share award scheme adopted by the Company on 19 October 2018 and then revised by the Board on 21 March 2023

## 2023 SHARE AWARD SCHEME

The share award scheme adopted by the Company on 10 May 2023

## 2023 SHARE OPTION SCHEME

The share option scheme adopted by the Company on 10 May 2023



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## **APPROVAL OF INTERIM RESULTS**

The unaudited interim results for the six months ended 30 June 2024 have been reviewed by the audit committee of the Company and approved by the Board. The Company's interim financial report has been reviewed by the Company's auditor, KPMG, 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 with an unqualified opinion. KPMG's independent review report to the Board is set out in the *Interim Report 2024*.

## **INTERIM DIVIDEND**

The Board has declared an interim dividend of HK118 cents per ordinary share in respect of the six months ended 30 June 2024. The interim dividend will be payable on or about Monday, 23 September 2024 to shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Tuesday, 10 September 2024. 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 SAR 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, Wan Chai, Hong Kong SAR, not later than 4:30 p.m. on Tuesday, 10 September 2024 for registration.

## **PUBLICATION OF RESULTS ANNOUNCEMENT**

This interim results announcement is available to public for viewing on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [ir.anta.com](http://ir.anta.com).

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

Hong Kong SAR, 27 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Lai Shixian, Mr. Wu Yonghua, Mr. Zheng Jie and Mr. Bi Mingwei; and the independent non-executive directors are Mr. Yiu Kin Wah Stephen, Mr. Lai Hin Wing Henry Stephen, Ms. Wang Jiaqian and Ms. Xia Lian.*