Ming Le Sports AG
Nine Months Interim Report 2012

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LETTER TO SHAREHOLDERS

Dear Shareholders,

After our IPO at the Prime Standard of the Frankfurt Stock Exchange in July 2012, we continued on our growth path. For the first nine months of 2012, revenues amounted to EUR 204.5 million, exceeding last year's revenues by 52.7% (9M 2011: EUR 133.9 million). Our gross profit amounted to EUR 70.0 million, representing an increase of 56.5% compared to the first nine months of last year. We stayed highly profitable with a net profit margin of 21.1%. Considering these results, we stay confident for Ming Le's business development in the future.

As at 30 September 2012, Ming Le's network of 3,633 retail outlets covers 26 provinces across China. More than 85% of the retail network is located in Tier 3 and Tier 4 cities and Ming Le's Management Team believes that its network will continue to thrive and will achieve the market leading position in these cities in the near future.

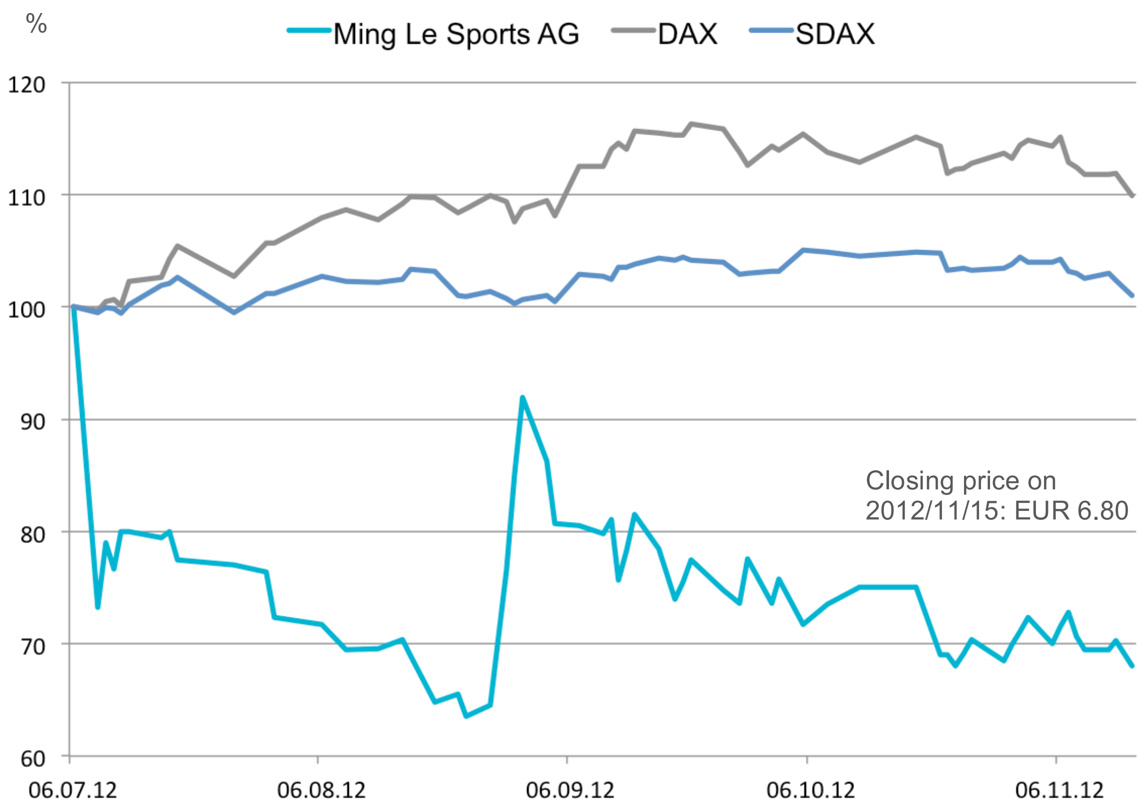
Based on the orders received from the recent Spring/Summer sales fair held during September/October 2012, we are very confident, that Ming Le group will achieve a strong performance in 2013. The results from the Spring/Summer sales fair are fairly optimistic considering the overall weak economic environment.

On the presumption of that the currency rate remains consistent at EUR/RMB of 1:8, we expect to achieve a year-on-year revenue growth of 30% in 2012 in Euro terms, surpassing the EUR 250 million benchmark for the financial year 2012. We also expect to achieve a net profit margin of 21–23% (including IPO expenses) for the full year 2012. Finally, I would like to express my thanks to all our shareholders for supporting our company.

Sincerely yours,

Siliang Ding (CEO)
Ming Le Sports AG

THE MING LE SHARE



Prime Standard listing at the Frankfurt Stock Exchange

Ming Le shares were successfully launched in the Prime Standard of the Frankfurt Stock Exchange on 6 July 2012 with an initial price of EUR 13.20. Thus the first price was slightly above the offering price of EUR 13.00.

Share performance since IPO

In contrast to our successful business development, the price of the Ming Le share has decreased, especially shortly after the IPO. During the first trading days it fell severely to EUR 7.32. Even though there was no negative news regarding the development of our operating business, the downward trend could not be stopped. On 24 August the Ming Le share was quoted at its year-low with EUR 6.35. This was followed by a strong increase: On 31 August the share closed at EUR 9.19. Unfortunately this price level was not stable. Even though the development was less volatile during the following months, the share price dropped further. On 15 November 2012, it amounted to EUR 6.80 – 32.0% below the XETRA closing price on the first trading day (EUR 10.00). This corresponds to a market capitalisation of EUR 105.2 million. During the period under review, the DAX increased by 9.9% whereas the German small cap index SDAX went up by 1.0%.

Investor Relations activities

During Ming Le's analyst conference at the German Equity Forum in Frankfurt in November 2012, the CFO, Mr. Alan Tan, presented the Company's business model and strategy as well as its current market environment and the half-year financial results to the attending financial community. Furthermore Mr. Tan was actively seeking the dialogue with investors and analysts during a couple of 1-o-1 meetings. The Management Team will further strengthen its focus on explaining Ming Le's business model to potential investors in detail and will strive to increase its awareness within the financial community. Ming Le intends to continuously meet the information needs of investors with an open and transparent communication policy. Shareholders can obtain additional capital market-related information under www.mingle-ir.com.

Basic data

ISIN / WKN / Ticker	DE000A1MBEG8 / A1MBEG / ML
Trading segment	Regulated Market (Prime Standard), Frankfurt Stock Exchange
Commencement of trading	6 July 2012
Share capital	15,444,000
Designated sponsor	Wolfgang Steubing AG
Market capitalisation (as at 15 November 2012)	EUR 105.2 million

INTERIM GROUP MANAGEMENT REPORT

GENERAL INFORMATION ABOUT MING LE SPORTS AG

Ming Le is a rapidly growing branded sportswear company in China targeting 16 to 35-year-old men and women who lead an urban, vibrant and active lifestyle. Ming Le strives to offer comfortable, fashionable and affordable lifestyle and leisure sportswear. The company's products include footwear, apparel, accessories and equipment. The products are designed and developed at our own production facilities or through contract manufacturers. Ming Le markets and sells its products through a network of 26 distributors to over 3,600 retail outlets in China. As at 30 September 2012, the company had 1,310 employees. The company sells substantially all of its products to its distributors in China, which in turn sell such products to end consumers through the retail outlets operated directly by the distributors or through third-party retailers that are supervised by the distributors. Ming Le currently operates six production lines with an aggregate production capacity of approximately 6.5 million pairs of footwear per year.

Ming Le Sports AG is a German stock corporation incorporated under the laws of Germany. The Company was founded on 1 November 2011. The Company holds 100% of the shares in Mingle International Limited ("Mingle HK"), a company incorporated under Hong Kong law which acts as intermediate holding company and holds 100% of the equity interests in Ming Le (China) Co. Ltd. ("Mingle China"), and which in turn holds 100% of the equity interests of Fujian Mingle Sportswear Co. Ltd. ("Fujian Mingle"). Mingle China and Fujian Mingle are companies incorporated under PRC law.

BUSINESS AND OPERATING ENVIRONMENT

General economic environment

Despite facing stiff headwinds from a slower growth of the world economy, China still managed to reach a GDP growth rate of 7.4% in Q3 2012 which is in line with the China government's annual target of 7.5% for 2012 as well as economists' predictions that third-quarter economic output would grow by between 7.4–7.5% in the world's second-largest economy. Compared to the first half, the third quarter's results seem to demonstrate some improvements and stabilisation in terms of growth.

Along with China's rapid economic growth and urbanisation, disposable income levels have also grown significantly. Given the expectation of China's continuous economic growth, both the per capita annual disposable income of urban households and the per capita annual net income of rural households are estimated to increase considerably. Rising personal income, rapid urbanisation and the Chinese government's initiative to develop the western region of China, which is populated mostly with Tier 3 and Tier 4 cities, have driven strong growth in consumer spending in China. Retail sales of consumer goods in China have increased.

The sportswear industry in China

With approximately one-fifth of the world's population and a growing gross domestic product ("GDP"), China represents a significant growth opportunity for a wide variety of casual wear products, including sportswear. The improved living standards and increased disposable income in China have driven the rapid development of the sportswear market in recent years and increased market awareness of sportswear brands. Also, government initiatives promoting sports and exercise have contributed to the development of the sportswear industry.

Consumers are putting greater importance behind factors such as product uniqueness, fashion and celebrity endorsement (Source: Morgan Stanley, "China Sports Goods Survey – The Landscape is Changing", dated 18 April 2011). Casual and fashionable sportswear is becoming increasingly popular and common among students and young urban workers as daily wear in both work and casual settings.

The China sportswear industry, which consists of sports footwear, sports apparel and sports accessories, has expanded rapidly in recent years.

Chinese domestic sportswear brands have become increasingly prominent in China. Despite international brands' higher market positioning and brand awareness, domestic brands have gained market share by penetrating all levels of the market whereas international brands have not been as effective in penetrating markets beyond major cities, such as Beijing, Shanghai, Guangzhou and Shenzhen. Domestic brands' lower average selling prices, competitive labour and production costs, fast expansion and large number of retail outlets enable them to better adapt to the smaller markets across China. (Source: Frost&Sullivan Report)

Driven by the increasing popularity of sports activities, per capita expenditure on sports apparel in China grew at a CAGR of 40,3% from 2007 to 2009 and is expected to grow at a CAGR of 33.9% from 2009 to 2015. (Source: Frost&Sullivan Report)

With the development of the sports footwear industry, local Chinese suppliers have accumulated experience in manufacturing and promoting their own brands in both, domestic and overseas market. The development of local brands is expected to have an increasing impact on the development of the Chinese sports footwear market.

Per capita expenditure on sports footwear in China increased at a CAGR of 26.4% from 2007 to 2009 and is expected to grow at a CAGR of 27.9% from 2009 to 2015. (Source: Frost&Sullivan Report)

RESULTS OF OPERATIONS

The table below shows the consolidated income statement for the financial period ended 30 September 2012 compared to the income statement for the financial period ended 30 September 2011. Ming Le Sports AG was founded by means of a notarial deed of formation dated 21 September 2011. The completion of the formation became legally effective by registration in the commercial register of the local court of Frankfurt am Main on 1 November 2011. The Q3 2011 figures are substantially similar with that of China Ming Le Sportswear Holdings Ltd. consolidated financial statement as Ming Le Sports AG was only legally effective on 1 November 2011. The following tables present Ming Le's consolidated income statement data for the nine months ended 30 September 2011 and 30 September 2012:

kEUR	Q3 2012	Q3 2011	Change in %	9M 2012	9M 2011	Change in %
Revenue	**77,717**	**51,086**	**52.1**	**204,451**	**133,930**	**52.7**
Cost of sales	(51,162)	(33,549)	52.5	(134,450)	(89,199)	50.7
Gross profit	**26,555**	**17,537**	**51.4**	**70,001**	**44,731**	**56.5**
Other income	13	16	(18.8)	41	41	-
Selling and distribution expenses	(8,622)	(4,904)	75.8	(18,275)	(11,397)	60.3
Administrative expenses	(1,371)	(562)	144.0	(2,540)	(1,272)	99.7
Profits from operations	**16,575**	**12,087**	**37.1**	**49,227**	**32,103**	**53.3**
Net finance income	73	51	43.1	231	112	106.3
Profit before income tax	**16,648**	**12,138**	**37.2**	**49,458**	**32,215**	**53.5**
Income tax	(2,200)	(1,556)	41.4	(6,363)	(4,091)	55.5
Net profit for the period	**14,448**	**10,582**	**36.5**	**43,095**	**28,124**	**53.2**
Gross profit margin	*34.2%*	*34.3%*		*34.2%*	*33.4%*	
EBIT margin	*21.3%*	*23.7%*		*24.1%*	*24.0%*	
Net profit margin	*18.6%*	*20.7%*		*21.1%*	*21.0%*	

Revenues

Revenues increased from EUR 133,930 thousand in the first nine months of 2011 by EUR 70,521 thousand or 52.7% to EUR 204,451 thousand in the first nine months of 2012. Both product segments contributed to the strong growth. Measured in RMB, revenues increased by 35.2% during the period. The increase in revenues is primarily due to increased sales volumes resulting from increased number of authorised retail outlets (3,032 as at 30 September 2011 and 3,633 as at 30 September 2012) and increases in the average unit selling prices. The number of units of footwear and apparel sold increased by 22.5% to 19.5 million. Measured in EUR, the average unit selling price grew by 22.9% for footwear products and 28.1% for apparel products. The Group's revenues for the first nine months of 2012 were derived wholly from the PRC. Also, there were no sales from a single customer in the first nine months of 2012, which accounted for over 10% of the Groups' revenues.

Cost of sales

Cost of sales consist of purchasing materials, purchases for outsourced products, labour costs for personnel employed in production, depreciation of non-current assets used for production purposes, R&D expenses, VAT and others (mainly utilities and maintenance costs). Costs of sales increased from EUR 89,199 thousand in the first nine months of 2011 by EUR 45,251 thousand, or 50.7%, to EUR 134,450 thousand in the first nine months of 2012. This increase was mainly due to increased costs for the sourcing from contract manufacturers due to capacity constraints. The following table presents a breakdown of cost of sales for each of the nine months ended 30 September 2011 and 30 September 2012:

	9M 2012		9M 2011	
	kEUR	% of cost of sales	kEUR	% of cost of sales
Materials	29,569	22.0	21,182	23.7
Salaries and wages	3,070	2.3	2,723	3.0
Depreciation	296	0.2	261	0.3
Purchases from subcontractors	97,716	72.7	62,314	69.9
Research and development expense	797	0.6	547	0.6
VAT	1,271	0.9	865	1.0
Others	1,731	1.3	1,307	1.5
Total	**134,450**	**100**	**89,199**	**100**

Gross profit and gross profit margin

Gross profit grew significantly during the reporting period by 56.5% to EUR 70,001 thousand (nine months ended 30 September 2011: 44,731 thousand). This resulted in an increase of overall gross profit margin from 33.4% in 9M 2011 to 34.2% in 9M 2012. The increase of the gross profit margin resulted from Ming Le's ability to realise higher price increases for its products than the actual increase in costs.

Other income

Other income principally consists of rental income for lease of retail space owned at Ming Le headquarters and exchange gains.

In the nine months ended 30 September 2011, and nine months ended 30 September 2012 respectively, other income remained consistent at EUR 41 thousand for both periods. Other income as a percentage of revenues amounted to less than 0.1% in 9M 2011 as well as in 9M 2012 and is therefore relatively insignificant.

Selling and distribution expenses

Selling and distribution expenses comprise mainly marketing and advertising costs and staff costs. Selling and distribution expenses increased by 60.3% to EUR 18,275 thousand in the nine months ended 30 September 2012. This increase is due to an increased expenditure on TV advertising and increased costs incurred for holding Spring/Summer seasonal sales fair. Correspondingly, selling and distribution expenses as a percentage of revenues increased slightly and amounted to approximately 8.9% for the nine months ended 30 September 2012 (nine months ended 30 September 2011: 8.5%).

Administrative expenses

Administrative expenses comprise mainly depreciation, salaries to management and administrative personnel and professional fees incurred.

Administrative expenses increased from EUR 1,272 thousand in the nine months ended 30 September 2011 by 99.7% to EUR 2,540 thousand in the nine months ended 30 September 2012. This increase is mainly attributed to an increase in professional fees incurred in 2012, which did not occur in 2011 and approximately EUR 526 thousand due to exchange loss on intercompany loans.

Administrative expenses as a percentage of revenues remained relatively stable at approximately 1% of revenue for nine months ended 30 September 2011 and nine months ended 30 September 2012.

Profit from operations (EBIT)

Profit from operations increased from EUR 32,103 thousand in the nine months ended 30 September 2011 by 53.3% to EUR 49,227 thousand in the nine months ended 30 September 2012. This resulted in an EBIT margin of 24.1% (9M 2011: 24.0%)

Net finance income

The financial result increased from EUR 112 thousand in the nine months ended 30 September 2011 by 106.3% to EUR 231 thousand in the nine months ended 30 September 2012, mainly due to the increase in the net cash position.

Income tax

Income tax expenses increased to EUR 6,363 thousand in the nine months ended 30 September 2012. For the period under review, the effective income tax in relation to sales is 3.1% (nine months ended 30 September 2011: 3.1%). Under the income tax law of the PRC currently in effect, the general income tax rate is 25%. Ming Le, however enjoyed tax rebates which provided for a 50% reduction in income tax rate in 2010, 2011 and 2012.

Net profit for the period

The net result increased from EUR 28,124 thousand in the nine months ended 30 September 2011 by 53.2% to EUR 43,095 thousand in the nine months ended 30 September 2012. This represents a net profit margin of 21.1% (nine months ended 30 September 2011: 21.0%).

BUSINESS PERFORMANCE BY SEGMENT

Ming Le offers footwear products, apparel, accessories and equipment under its own "Ming Le" brand. The Group's business is organised into two main operating segments:

Footwear including running, basketball, tennis, skate board, canvas, casual and outdoor shoes. Ming Le manufactures the majority of its footwear products and outsources the remaining portion to third-party contract manufacturers.

Apparels, accessories and equipment including basketball, tennis and other leisure sportswear apparel for men and women designed for a variety of leisure and sports purposes.

The following table presents a breakdown of total revenues, sales volume and average unit selling price by segment for each of the nine months ended 30 September 2011 and 30 September 2012:

kEUR	Q3 2012	Q3 2011	Change in %	9M 2012	9M 2011	Change in %
Footwear						
Revenue	45,038	31,146	44.6	121,891	83,159	46.6
% of revenue	58.0	61.0		59.6	62.1	
Sales volume (in units)	3,876,378	3,350,454	15.7	10,812,782	9,061,012	19.3
Average unit selling price (in EUR)	11.62	9.29		11.27	9.17	
Apparels, accessories and equipment						
Revenue	32,679	19,940	63.9	82,560	50,771	62.6
% of revenue	42.0	39.0		40.4	37.9	
Sales volume (in units)	3,476,496	2,509,882	38.5	9,762,152	7,602,582	28.4
Total	**77,717**	**51,086**		**204,451**	**133,930**	

Note: The table above does not include sales volume and average unit selling price of Ming Le's accessories and equipment because Ming Le sells a broad range of accessories and equipment that vary significantly, including in terms of unit price. As a result, a unit-based analysis of Ming Le's accessories and equipment would not be meaningful.

Footwear

In the first nine months of 2012, 59.6% of Ming Le's total revenues were attributable to sales of footwear (nine months of 2011: 62.1%). The overall increase in revenues from the sale of footwear is in line with the overall increase of revenues. Thus, the revenue of footwear products grew from EUR 83,159 thousand in the first nine months of 2011 to EUR 121,891 thousand in the first nine months of 2012, while the sales volume in this segment increased from 9,061,012 units to 10,812,782 units. The average unit selling price amounted to EUR 11.27 in the first nine months of 2012 (nine months of 2011: EUR 9.17).

Apparels, accessories and equipment

The sales of apparel, accessories and equipment accounted for 40.4% of total revenues in the first nine months of 2012 (nine months of 2011: 37.9%). Revenues in this segment mainly derived from the sale of apparels. The overall increase in revenues from the sale of apparels, accessories and equipment is in line with the overall increase in revenues. Thus the revenue of apparel, accessories and equipment products grew from EUR 50,771 thousand in the first nine months of 2011 to EUR 82,560 thousand in the first nine months of 2012, while the sales volume of apparel in this segment increased from 7,602,582 units to 9,762,152 units.

NET ASSETS AND FINANCIAL POSITION

The Group's objectives when managing capital refer primarily to equity as shown in the balance sheet and are to safeguard the Group's ability to continue as a going concern and to support the Group's stability and growth so as to maximize shareholders' returns and stakeholders' benefits.

A capital structure which does not make significant use of debt financing and seeks to establish a ratio of equity to total assets of 50% or above is considered to be advisable and achievable by the Group's management, providing the Group with a stable basis for achieving its business objectives.

The balance sheet total increased significantly from EUR 119,415 thousand to EUR 174,992 thousand as at 30 September 2012. This rise is principally attributable to an increase in trade and other receivables as well as cash and cash equivalents financed by the profit for the year and an increase in short term payables.

The following table presents the balance sheet data of Ming Le as at 31 December 2011 and 30 September 2012 on a consolidated basis:

kEUR	30 Sept 2012	31 Dec 2011
Non-current assets	7,957	8,221
Current assets	167,035	111,194
Total Assets	**174,992**	**119,415**
Total equity	141,149	91,361
Non-current liabilities	-	-
Current liabilities	33,843	28,054
Total Liabilities	**33,843**	**28,054**
Total Equity and Liabilities	**174,992**	**119,415**

Non-current assets

Property, plant and equipment

Property, plant and equipment comprise plant and machinery, furniture, fixtures, office equipment and motor vehicles.

Property, plant and equipment (net book value) decreased slightly from EUR 7,306 thousand as at 31 December 2011 by 5.0% to EUR 6,934 thousand as at 30 September 2012. This decrease was primarily due to depreciation charges partially offset by the depreciation of EUR against RMB from 8.2253 as at 31 December 2011 to 8.1234 as at 30 September 2012.

Land use rights

Land use rights relate to long-term interest for the usage of land.

Land use rights decreased from EUR 392 thousand as at 31 December 2011 by 0.5% to EUR 390 thousand as at 30 September 2012 primarily resulting from the amortisation of Ming Le's land use rights partially offset by depreciation of EUR against RMB from 8.2253 as at 31 December 2011 to 8.1234 as at 30 September 2012.

Deferred Tax Asset

Deferred Tax asset increased from nil to EUR 103 thousand as at 30 September 2012 primarily resulting from the deferred tax asset created on the transaction costs relating to equity.

Current assets

Inventories

Inventories comprise raw materials, work-in-progress and finished goods.

Inventories increased from EUR 1,617 thousand as at 31 December 2011 by 240% to EUR 5,491 thousand as at 30 September 2012. This increase resulted primarily from a timing difference in finished goods due to earlier completion of orders.

Trade and other receivables

Trade and other receivables comprise trade receivables and prepayments.

Trade and other receivables increased significantly from EUR 52,758 thousand as at 31 December 2011 by 24.9%, to EUR 65,886 thousand as at 30 September 2012. This increase resulted primarily from increased sales volume.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash on hand.

Cash and cash equivalents increased significantly by EUR 39,052 thousand or by 69.0% to EUR 95,658 thousand as at 30 September 2012 due to increased sales volumes. For a more detailed discussion of cash at the end of each period, see the chapter “Liquidity” in this section.

Equity

Equity comprises share capital, reserves and transaction costs relating to equity and retained earnings.

Equity increased from EUR 91,361 thousand as at 31 December 2011 by EUR 49,788 thousand, or by 54.5% to EUR 141,149 thousand as at 30 September 2012 mainly due to an increase in retained earnings. As at 30 September 2012, the Group achieved a ratio of equity to total assets of 80.7% (2011: 76.5%).

Statutory reserves relate to the statutory reserve required under PRC law. Ming Le has reached the required statutory reserve as at 31 December 2010, which is why the amount remained the same when comparing 31 December 2011 and 30 September 2012.

Non-current liabilities

Deferred tax liabilities

Deferred tax liabilities relate to accrued liabilities for withholding taxes for dividend payments to the shareholders. The deferred tax liability as at 30 September 2012 remained nil as decision would only be made on the distribution of the net profits in the last quarter when the full year results for 2012 are finalised.

Current liabilities

Liabilities from deliveries and services and other liabilities

Trade and other payables comprise mainly trade payables, salary and social security insurance payables, VAT payables, accrued income and other payables. Other payables comprise of amounts for taxes and accruals for normal utility expenses.

Trade and other payables increased from EUR 24,687 thousand as at 31 December 2011 by 20.6%, to EUR 29,775 thousand as at 30 September 2012. This is due to increased purchases from contract manufacturers.

Withholding tax payable

Withholding tax payable comprises the current payable amount of the income tax for dividend payments.

Withholding tax payable increased from EUR 1,150 thousand by 1.3% to EUR 1,165 thousand as at 30 September 2012 due to depreciation of EUR against RMB from 8.2253 as at 31 December 2011 to 8.1234 as at 30 September 2012.

Liquidity

The following table presents a summary of the cash flow data of Ming Le for the nine months ended 30 September 2011 and 30 September 2012.

kEUR	Jan 1, 2012 to Sep 30, 2012	Jan 1, 2011 to Sep 30, 2011
Cash flows from operating activities	31,327	18,831
Cash flows from investing activities	231	23
Cash flows from financing activities	6,416	767
Cash and bank balances at the end of the financial year	95,658	45,180

Net cash generated from operating activities increased from EUR 18,831 thousand in first nine months of 2011 by 66.4%, to EUR 31,327 thousand in the first nine months of 2012. This increase was mainly attributable to an increase in profits which was offset by a strong increase in trade and other receivables as a result of the company's growth.

Net cash from investing activities increased by EUR 208 thousand to EUR 231 thousand in the first nine months of 2012. The increase was mainly attributable to the increase in average principal of cash balances held with financial insituitions.

Net cash from financing activities increased from EUR 767 thousand in nine months of 2011 by EUR 5,649 thousand to EUR 6,416 thousand in the first nine months of 2012. The decrease was mainly due to proceeds received from Initial public offering and advance from shareholder for expenses paid on behalf for the group.

HUMAN RESOURCES

As of 30 September 2012, Mingle had 1,310 full-time employees (31 December 2011: 1,283). The number of employees remained stable despite the strong growth of the revenues due to the reason, that the increased demand for our products was primarily resolved by an increased outsourcing of the manufacturing to third-party vendors.

The following table shows a breakdown of Ming Le's employees by function as of 30 September 2011 and 30 September 2012, respectively:

Function	Jan 1, 2012 to Sep 30, 2012	Jan 1, 2011 to Sep 30, 2011
Board of Directors	4	4
Finance	17	10
Purchase	19	8
Administration and Human Resources	30	28
Sales and Marketing	35	31
Quality Control	43	42
Product Design and Development	143	143
Production	1,019	1,016
Total	**1,310**	**1,282**

SALES AND DISTRIBUTION

All of Ming Le's products are sold in China. While a small portion of our products are sold directly through one retail outlet operated by the Group itself, Ming Le sells 99.9% of its products to distributors in China, which in turn sell our products to end consumers through authorised retail outlets. Almost all of the retail outlets selling Ming Le's products are either operated directly by Ming Le's distributors or operated by third-party retailers and indirectly supervised by Ming Le's distributors.

The number of authorised retail outlets has grown significantly and allowed Ming Le to expand rapidly across China and penetrate its core markets. As of 30 September 2012, Ming Le's products were sold at 3,633 authorised retail outlets in 26 provinces. This represents an increase of approximately 15.8% compared to 31 December 2011.

As of 30 September 2012, the retail outlets included 74 flagship stores and 166 image stores. Substantially all of Ming Le's authorised retail outlets are located in Tier 3 and Tier 4 cities in China. As of 30 September 2012, the number of Ming Le's authorised retail outlets located in Tier 1, Tier 2, Tier 3 and Tier 4 cities in China were 58, 390, 782, and 2,403, respectively.

Ming Le relies on its distributors to market and distribute its products and strive to maintain close relationships with these distributors. In order to maintain brand awareness and consumer loyalty, Ming Le requires its distributors to supervise the retail outlets to ensure that they observe the pre-set retail procedures and policies in respect to store design and layout, marketing activities and customer service.

Ming Le's distributorship agreements generally include provisions regarding e.g. product exclusivity, geographic exclusivity and minimum purchase requirements.

Around 65% to 70% of Ming Le's sales are derived from orders placed at Ming Le's two major seasonal sales fairs, and the remaining from the two supplementary intra-season sales fairs. Ming Le usually hosts product preview conferences one month before major seasonal sales fairs.

PRODUCTION, QUALITY CONTROL AND SOURCING

As of September 2012, Ming Le operated six production lines with an aggregate production capacity of approximately 6.5 million pairs of footwear per year. The utilisation rate increased from 93.6% in the first nine months of 2011 to 95.8% in the first nine months of 2012.

Additionally, Ming Le engaged four footwear contract manufacturers for the first nine months of 2012. The contract manufacturers produced approximately 4.9 million pairs of footwear for Ming Le in Q3 2012 representing 44.3% of Ming Le's total production volume.

Quality Control

Product quality control is a critical aspect of Ming Le's business. Our dedicated quality control team conducts various quality inspection and testing procedures at each stage of the production process in accordance with Ming Le's quality control standards. Pilot production is carried out prior to mass production of new designs. Additionally, a series of quality control sample testing is undertaken to ensure product specifications are met and the product quality is consistent with applicable national standards before the products are delivered to distributors.

Sourcing

The principal raw materials used in the production of Ming Le's footwear products are leather, fabrics, soles and other ancillary components. Ming Le purchases all of these materials from domestic suppliers in China. We select our raw material suppliers based on their track record, experience and reputation. Many of these suppliers are located near our production facility, which allows us to minimise logistics costs.

All raw materials used in the production of Ming Le's apparel, accessories and equipment products are procured by Ming Le's contract manufacturers. Ming Le requires its contract manufacturers to purchase key raw materials from designated suppliers.

RESEARCH AND DEVELOPMENT

We believe one of Ming Le's key strengths is our internal product design and development team, which focuses on developing comfortable, fashionable and affordable sportswear for Ming Le's target consumers.

As of 30 September 2012, the product design team consisted of 72 members, the product development team consisted of 71 members, including 30 senior product engineers with an average of over five years in the sportswear industry. The expenses for our own research and development increased from EUR 547 thousand in the first nine months of 2011 to EUR 797 thousand in the first nine months of 2012, representing approximately 0.3% of total sales.

Our product development team is in charge of the entire development cycle from design to testing to sample production in order to ensure and improve the functionality and quality of Ming Le's sportswear products. With the assistance of our product development team, we have incorporated into our sportswear products a number of new technologies, including an air circulation system, which allows for better breathability, an enhanced shock-absorption and abrasion-resistance system, nano-deodorisation technology and seamless sewing technology, but also arch supports and environmentally friendly materials.

Ming Le's design and development team introduced approximately 1,800 (Q3 2011: 1,600) new designs of footwear, apparel and accessories and equipment for Ming Le's sales fairs held in Q3 2012. This represents a slight increase from the previous year.

RISK AND OPPORTUNITY REPORT

There were no significant changes in risks and opportunities in the first nine months of the year 2012. For more information on the risks the Company is exposed to and the Company's risk management policy, please refer to the "Risk Factors" section in the Company's offering prospectus dated 18 June 2012.

DEVELOPMENTS AFTER THE END OF THE REPORTING PERIOD

There were no other significant events subsequent to 30 September 2012 up to the date of this report.

OUTLOOK

Industry outlook

In the fourth quarter of 2012, the Chinese economy is expected to continue to grow and stabilise. Consumer spending is expected to further rise due to the huge population, growing urbanization, increasing living standards and rising personal incomes. Expected headwinds arise from the uncertainties of the world economy, the debt crisis in Europe and the domestic real estate market.

The future for the Chinese sportswear industry looks very positive for the next years. By 2015, the revenue of the Chinese sportswear industry is forecast to reach RMB 351.47 billion, with a CAGR of 30.5% from 2009 to 2015.

The total expenditure on sports apparel in China is forecast to grow at a CAGR of 33.9% from 2009 to 2015. By 2015, the total expenditure is expected to be RMB 256.7 billion. The total expenditure on sports footwear in China is forecasted to grow at a CAGR of 28.6% from 2009 to 2015. By 2015, the total expenditure is expected to reach RMB 201.3 billion.

While increasing disposable income and urbanisation benefit the Chinese apparel industry in general, sportswear is particularly well positioned for growth due to several reasons. First, international and domestic sporting events are attracting increasingly large audiences among Chinese viewers. Watching sports via Internet has become more and more popular among Chinese audiences, given the greater content availability and boarder international appeal. The Chinese government has also introduced initiatives such as the second Outline of National Fitness Program and the establishment of community sports stations and sports centres to promote sports and exercise. These events have significantly increased the profile of different sports in China.

Future business development of Ming Le Group

During the first nine months 2012 the company's revenue increased by 52.7% compared to the same period in 2011 and amounted to EUR 204,451 thousand. Additionally the company's proft margins improved during the reporting period with net profit margin reaching 21.1%. The Management Board expects this positive business development to continue in the last quarter of 2012.

Segment outlook

Ming Le expects increased 25–28% revenue for both footwear and apparels & accessories in 2013 primarily due to the new retail outlets openings associated with increase in orders during the recent Spring/Summer seasonal sales fair held in September/October 2012.

In the current financial year Ming Le is focusing on the expansion of its retail network in Sichuan, Yunan, Guizhou, Gansu and Xinjiang. The Company plans to add 600–650 stores to its existing network by the end of 2012. By the end of Q3 2012, Ming Le has already added 495 stores to its existing network.

Ming Le also plans to open five to ten self-operated flagship stores in the current financial year within the prime locations of Tier 3 cities in China to further increase brand equity as well as to attract potential distributors and retailers.

Since 31 December 2011, no material change of the financial condition and the trading and market position of Ming Le has occurred.

Outlook on financial development

Based on a currency rate of EUR/RMB of 1:8, we expect to achieve year-on-year revenue growth of 30% in 2012 in Euro terms, surpassing the EUR 250 million mark for the financial year 2012. For the full 2012 financial year, Ming Le expects sales growth of 30% and a net profit margin of 21–23% (including IPO expenses).

On the basis of the increased sales orders for the Spring/Summer 2013 collection, Ming Le expects to achieve sales growth in full year 2013 of at least 25.0% in RMB terms.

In case that this positive business development continues, the company plans a distribution of profits as dividends for the fiscal year 2012 and following fiscal years in an amount between 10% and 30% of the profit for the year according to the consolidated IFRS financial statements of the company.

Frankfurt am Main, 28 November 2012
Ming Le Sports AG

The Board of Management

Mr. Siliang Ding   Mr. Shoutan Guo   Mr. Alan Chun Kiat Tan

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Statement of Comprehensive Income

kEUR	Q3 2012	Q3 2011	9M 2012	9M 2011
Revenue	**77,717**	**51,086**	**204,451**	**133,930**
Cost of sales	(51,162)	(33,549)	(134,450)	(89,199)
Gross profit	**26,555**	**17,537**	**70,001**	**44,731**
Other income	13	16	41	41
Distribution expenses	(8,622)	(4,904)	(18,275)	(11,397)
Administrative expenses	(1,371)	(562)	(2,540)	(1,272)
Profits from operations	**16,575**	**12,087**	**49,227**	**32,103**
Finance income, net	73	51	231	112
Profits before income tax	**16,648**	**12,138**	**49,458**	**32,215**
Income tax	(2,200)	(1,556)	(6,363)	(4,091)
Net profit for the period	**14,448**	**10,582**	**43,095**	**28,124**
Other comprehensive income for the period:				
Exchange differences on foreign currency translation	(3,237)	4,533	1,139	1,811
Total comprehensive income for the period:	**11,211**	**15,115**	**44,234**	**29,935**

Profit for the period attributable to:				
– Owners of the parent	**14,448**	**10,582**	**43,095**	**28,124**
Total comprehensive profit/(loss) for the period attributable to:				
– Owners of the parent	**11,211**	**15,115**	44,234	**29,935**
Basic and diluted earnings per share (in Euro)	0.94	0.71	2.85	1.87

Condensed Consolidated Interim Statement of Financial Position

kEUR	30 Sept 2012	31 Dec 2011
Non-current assets		
Intangible assets	390	392
Property, plant and equipment	6,934	7,306
Deferred tax asset	103	-
Other non-current assets	530	523
Total non-current assets	**7,957**	**8,221**
Current assets		
Inventories	5,491	1,617
Trade and other receivables	65,886	52,758
Amount due from shareholder	-	213
Cash and cash equivalents	95,658	56,606
Total current assets	**167,035**	**111,194**
Total assets	**174,992**	**119,415**
Equity and liabilities		
Equity		
Share capital	15,444	15,000
Capital reserves	5,328	-
Transaction costs of an equity transaction	(218)	-
Statutory reserves	6,789	6,789
Currency translation reserve	11,628	10,489
Retained earnings	102,178	59,083
Total equity	**141,149**	**91,361**

Current liabilities		
Income tax liabilities	2,152	2,217
Withholding tax liabilities	1,165	1,150
Amount due to a shareholder	751	-
Trade and other payables	29,775	24,687
Total current liabilities	**33,843**	**28,054**
Total liabilities	**33,843**	**28,054**
Total equity and liabilities	**174,992**	**119,415**

Condensed Consolidated Interim Statement of Changes in Equity

kEUR	Share capital	Capital reserves	Statutory reserves	Transaction costs relating to equity	Currency translation reserve	Retained earnings	Total
Balance at Jan 1, 2011	**106**	**-**	**6,789**	**-**	**3,786**	**32,004**	**42,685**
Total comprehensive income for the period	-	-	-	-	1,811	28,124	29,935
Balance at Sep 30, 2011	**106**	**-**	**6,789**	**-**	**5,597**	**60,128**	**72,620**
Company reorganisation	14,894	-	-	-	-	(14,894)	**-**
Total comprehensive income for the period	-	-	-	-	4,892	13,849	**18,741**
Balance at Dec 31, 2011	**15,000**	**-**	**6,789**	**-**	**10,489**	**59,083**	**91,361**
Proceeds from initial public offering	444	5,328	-	(218)	-	-	**5,554**
Total comprehensive income for the period	-	-	-	-	1,139	43,095	**44,234**
Balance at Sep 30, 2012	**15,444**	**5,328**	**6,789**	**(218)**	**11,628**	**102,178**	**141,149**

Condensed Consolidated Interim Statement of Cash Flows

kEUR	Jan 1, 2012 to Sep 30, 2012	Jan 1, 2011 to Sep 30, 2011
Operating activities		
Profit before income tax	49,458	32,215
Amortisation of intangible assets	6	6
Gain on disposal	-	(1)
Depreciation of property, plant and equipment	463	408
Interest income	(231)	(112)
Operating profit before changes in working capital	**49,696**	**32,516**
Inventories	(3,874)	162
Trade and other receivables	(13,128)	(13,649)
Trade and other payables	5,088	5,253
Income taxes paid	(6,455)	(5,451)
Cash flows from operating activities	**31,327**	**18,831**
Investing activities		
Cash outflows for property, plant and equipment	-	(89)
Interest income received	231	112
Cash flows from investing activities	**231**	**23**
Financing activities		
Cash inflow from shareholder	961	767
Proceeds from initial public offering	5,455	-
Cash flows from financing activities	**6,416**	**767**

Net increase in cash and cash equivalents	37,974	19,621
Effects on cash and cash equivalents from currency translation	1,078	1,737
Cash and cash equivalents at the beginning of the period	56,606	23,822
Cash and cash equivalents at the end of the period	**95,658**	**45,180**

Selected Notes to the Condensed Consolidated Interim Financial Statements

1. General information

Ming Le Sports is a rapidly growing branded sportswear company in China targeting 16 to 35 year old mean and women who lead an urban, vibrant and active lifestyle. Ming Le's products include footwear, apparels, accessories and equipment. Ming Le designs and develops its own products and manufactures them at Ming Le's facilities or through contract manufacturers. Ming Le markets and sells its products through a network of 26 distributors to over 3,500 retail outlets in China. Approximately over 85% of Ming Le's authorised retail outlets are located in Tier 3 and Tier 4 cities in China, which Ming Le believes offer the most opportunities for its growth and expansion due to strong market growth potential.

2. Statement of compliance with IFRS

The consolidated financial statements have been generally prepared under the historical costs convention except as otherwise stated in the consolidated financial statements.

The preparation of consolidated financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgment in the process of applying the accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates. Thus, the Directors of the Company are responsible for preparing the consolidated financial statements.

The operating subsidiary in the PRC ("the PRC subsidiary") maintains its accounting records in RMB and prepares its statutory financial statements in accordance with the PRC generally accepted accounting practice. The financial information is based on the statutory records, with adjustments and reclassifications recorded for the purpose of the fair presentation in accordance with EU IFRS.

3. Financial information for the preceding period

The Company acquired in October 2011 100% of the share in Mingle International Limited by a contribution in kind which increased its capital. The acquisition of the sub-group Mingle International Limited was accounted for by the Company as a "reverse acquisition". The Retained earnings effect arises from the difference between nominal value of shares issued by the Company and the nominal value of subsidiaries acquired.

4. Significant accounting policies and changes in estimates

According to IAS 8.28 ff. a company shall disclose in annual Financial Statements several information about effects of initial application of an IFRS and IFRS issued but not yet effective. According to IAS 34.16 such information is only to be given if it results in a change of accounting principles. The company does not expect any material impact on the consolidated financial statements arising from the adoption of new standards. The company states that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements as at 31 December 2011. Additional explanatory comments about seasonality or cyclicality are disclosed under note 9.

5. Currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”).

The Group conducts its business predominately in the PRC and hence its functional currency is the Renminbi.

The presentation currency of the Group is EURO, being the presentation currency of its ultimate German domiciled legal parent and holding company, and therefore the financial information has been translated from RMB and HKD to EURO at the following rates:

	RMB/EUR		HKD/EUR	
	Closing Rate	Average Rate	Closing Rate	Average Rate
30 September 2011	8.6864	9.1719	10.5997	11.0248
31 December 2011	8.2253	9.0175	10.0579	10.8883
30 September 2012	8.1234	8.1216	9.9687	9.9718

6. Segment reporting

(i) Business segment

Management determines the operating segments, which represents product category, based on reports reviewed and used for strategic decisions. The Group's business segments are organized into two main operating segments:

- Footwear
- Apparels, accessories and equipment

Both product segments are managed by the Group.

All operating segments are monitored and strategic decisions are made on the basis of the segmental gross margins. Items of expense and income below the gross profit margin are not analysed by management on a segmental basis, as these are not considered relevant for the operational and strategic analysis of the business. Management considers the Group's total assets, comprising property, plant and equipment, inventory, Amount due from a shareholder trade and other receivables and cash and bank balances as reasonably allocable to the two operating segments on a reasonable basis determined by segment reflecting the actual situation.

kEUR	Footwear	Apparels, accessories and equipment	Total
Financial period ended 30 Sept 2012			
Revenues from external customers	121,891	82,560	**204,451**
Gross profit	42,030	27,971	**70,001**
Other income			**41**
Distribution cost			**(18,275)**
Administrative expense			**(2,540)**
Profit from operations			**49,227**
Finance income, net			**231**
Profit before income tax			**49,458**
Amortisation and depreciation	370	99	**469**

kEUR	Footwear	Apparels, accessories and equipment	Total
Financial period ended 30 Sept 2011			
Revenues from external customers	83,159	50,771	**133,930**
Gross profit	27,814	16,917	**44,731**
Other income			**41**
Distribution cost			**(11,397)**
Administrative expense			**(1,272)**
Profit from operations			**32,103**
Finance income, net			**112**
Profit before income tax			**32,215**
Amortisation and depreciation	315	99	**414**

Earnings per share

	Jan 1, 2012 to Sep 30, 2012	Jan 1, 2011 to Sep 30, 2011
Profit for the financial year attributable to equity holder of the parent (kEUR)	43,095	28,124
Weighted average number of issued and outstanding no par shares (in thousands)	15,140	15,000
Basic and diluted earnings per share (in Euros)	2.85	1.87

7. Commitments and contingencies

Commitments

As at 30 September 2012, the Company is also party to two sponsorships contracts which provide for future payments of approximately EUR 0.44 million (RMB 3.6 million) and is due to be paid in 2013.

At 30 September 2012, the Company had outstanding purchase orders of approximately EUR 38.9 million (RMB 315.7 million).

Contingencies – Social insurance bank payments

According to the PRC laws and regulations, where a company has not made full contributions to social insurance for all its employees, the administrative department of labour security or the tax authority shall order for the company to pay up the premiums within a prescribed time limit and if the company still fails to make payment within the time limit, a surcharge for overdue payment equal to 0.2% per day of the overdue premiums will be imposed from the date of the expiration of the prescribed time limie in addition to the unpaid social insurance premiums. The management of the Group is unable to quantify the estimated amount of surcharge payable as the Group has thus far not received any order from the authority to pay for the outstanding contributions. Without considering the penalty of 0.2% per day, the Company estimates that such a claim for the additional payments would not exceed EUR 2,653 thousand. An agreement was undertaken by Mr. Ding with the Company according to which he would reimburse the Company for any losses incurred for such additional social insurance and housing funds payments. The Company has commenced to make provisions since 1 January 2011 onwards for the housing funds payment.

8. Related party disclosures – Significant related party transactions

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: (i) it possesses the ability, directly or indirectly, to control or exercise significant influence over the operating and financial decision of the Group; or (ii) it is subject to common control or common significant influence.

Related party information

a) Entities/individuals with common control or significant influence over the Group or under common control.

Related party	Relationship with the Group
Mr. Ding, Siliang	Chairman/Chief Executive Officer/Director

b) Management/directors of the Group and subsidiaries

Related party	Relationship with the Group
Ms. Ding, Meichu	Director
Mr. Ding, Xiaohua	Director (with effect from 20th Sep 2011)
Mr. Ding, Siyong	Director (until 14 Sep 2011)
Mr. Ding, Jiabing	Director (until 14 Sep 2011)
Mr. Chen, Yongzhao	Deputy General Manager of Purchasing Department/ Director (with effect from 20th Sep 2011)
Mr. Yan, Jiaming	Production Manager
Mr. Li, Zhongshun	Research & Development Director
Mr. Tan Chun Kiat, Alan	Chief Financial Officer
Mr. Guo, Shoutan	Sales and Marketing Director

The Group had the following related party transactions covered by the financial statements:

a) Related party transactions

Repayment between Mr. Ding, Siliang and Mingle (International) Limited

b) Details of significant and material related party transactions and balances are as follows:

Mr. Ding Siliang advanced EUR 961 thousand (RMB 7.9 million) to Mingle HK and Ming Le Sports AG during the first nine months ended 30 September 2012.

9. Seasonality or cyclicality of interim operations

Our nine months operating results may fluctuate from period to period based on changes in fashion trends, consumer demands and the seasonality of consumer spending on sportswear. Therefore, any comparison between our interim and annual results might not be meaningful.

10. Events after the reporting date

There are no significant non-adjusting events or any significant adjusting events to report between the reporting date and the date of preparation of these financial statements.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the fiscal year.

Frankfurt am Main, 28 November 2012
Ming Le Sports AG

The Board of Management

Mr. Siliang Ding

Mr. Shoutan Guo

Mr. Alan Chun Kiat Tan

REVIEW REPORT

To Ming Le Sports AG

We have reviewed the condensed interim consolidated financial statements of the Ming Le Sports AG, comprising the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of changes in equity, the condensed consolidated interim statement of cash flows and selected notes to the condensed consolidated interim financial statements, together with the interim group management report of Ming Le Sports AG for the period from 1 January 2012 to 30 September 2012, that are part of the quarterly financial report pursuant to Article 37x paragraph 3 WpHG [Wertpapierhandelsgesetz: German Securities Trading Act]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt am Main, 28 November 2012

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Dirk Bauer	Robert Binder
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Certified Auditor)	(German Certified Auditor)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT

This document contains forward-looking statements, which are based on the current estimates and assumptions by the corporate management of Ming Le Sports AG. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations would turn out to be accurate. Future performance and the results actually achieved by Ming Le Sports AG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Ming Le Sports AG's control and cannot be accurately estimated in advance, such as the future economic environment or the actions of competitors and others involved in the marketplace. Ming Le Sports AG neither undertakes nor plans to update any forward-looking statements.

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