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ANLLIAN Capital Limited

(Incorporated in the British Virgin Islands with limited liability)



ANTA Sports Products Limited

安踏體育用品有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2020)

ISSUANCE OF EURO 1,000,000,000 ZERO COUPON GUARANTEED CONVERTIBLE BONDS DUE 2025

ISSUANCE OF GUARANTEED CONVERTIBLE BONDS

On 13 January 2020 (after trading hours), ANLLIAN Capital, the Company and the Managers entered into the Subscription Agreement in relation to the proposed Bond Issue. Subject to the terms and conditions of the Subscription Agreement, the Managers have severally but not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds to be issued by ANLLIAN Capital in the aggregate principal amount of €1,000,000,000 and the Company has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by ANLLIAN Capital under the Trust Deed and the Bonds.

The Bonds may be converted into Conversion Shares pursuant to the Conditions. Based on the initial conversion price of HK\$105.28 per Share (subject to adjustment) and assuming full conversion of the Bonds, the Bonds will be convertible into 82,129,559 Conversion Shares, representing approximately 3.04% of the issued share capital of the Company as at the date of this announcement and approximately 2.95% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares (assuming that there is no other change to the issued share capital of the Company).

The Bonds and the Conversion Shares have not been and will not be registered under the U.S. Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act.

LISTING

ANLLIAN Capital and the Company will apply to the Singapore Stock Exchange for the listing and quotation of the Bonds on the Singapore Stock Exchange. An application by ANLLIAN Capital and the Company will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

GENERAL MANDATE

The Conversion Shares are to be issued under the General Mandate and the Bond Issue is not subject to approval of the Shareholders.

GENERAL

Completion of the Bond Issue is subject to the satisfaction of the conditions precedent to the Subscription Agreement and may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

On 13 January 2020 (after trading hours), ANLLIAN Capital, the Company and the Managers entered into the Subscription Agreement in connection with the Bond Issue.

THE SUBSCRIPTION AGREEMENT

Date

13 January 2020

Parties to the Subscription Agreement

- (a) ANLLIAN Capital as the issuer;
- (b) the Company as the guarantor; and

(c) Merrill Lynch (Asia Pacific) Limited, Citigroup Global Markets Limited and Morgan Stanley & Co. International plc as the Managers.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Managers and their ultimate beneficial owners is an independent third party and not a connected person of the Company.

Subscription

Subject to fulfilment of the conditions precedent set forth in the Subscription Agreement, some of which are set out under the section headed "Conditions to the Subscription Agreement" below, the Managers have severally but not jointly agreed to subscribe for the Bonds in the aggregate principal amount of €1,000,000,000 and the Company has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by ANLLIAN Capital under the Trust Deed and the Bonds.

The Managers have informed the Company that it intends to offer and sell the Bonds to not less than six independent places, and each of the places and their respective ultimate beneficial owners will be third parties independent of the Company and the connected persons of the Company.

The Bonds and the Conversion Shares have not been and will not be registered under the U.S. Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act.

Conditions to the Subscription Agreement

The obligations of the Managers to subscribe and pay for the Bonds are subject to the fulfilment or waiver of, among others, the following conditions on or prior to the Closing Date:

- (i) **Due diligence:** each of the Managers being satisfied with the results of its due diligence investigations with respect to ANLLIAN Capital, the Company and their respective subsidiaries and the offering circular (the "**Offering Circular**") shall have been prepared in form and content satisfactory to each of the Managers;
- (ii) **Other contracts:** the execution and delivery (on or before the Closing Date) of the Trust Deed and the Agency Agreement, each in a form satisfactory to the Managers, by the respective parties;
- (iii) **Shareholders' lock-up:** Each of Mr. Ding Shizhong, Mr. Ding Shijia and Anta International shall have executed and delivered to the Managers a valid, binding and enforceable lock-up undertaking on or before the Closing Date in the form as agreed in the Subscription Agreement;

- (iv) **Auditors' letters:** upon the date of the Offering Circular (the “**Publication Date**”) and on the Closing Date, there having been delivered to the Managers comfort letters, in form and substance satisfactory to the Managers, dated the Publication Date in the case of the first letter and dated the Closing Date in the case of the subsequent letter, and addressed to the Managers from KPMG;
- (v) **Compliance:** at the Closing Date:
- (a) the representations and warranties of ANLLIAN Capital and the Company in the Subscription Agreement (taking into account of the facts and circumstances subsisting on the Closing Date) being true, accurate and correct at, and as if made on such date;
 - (b) ANLLIAN Capital and the Company having performed all of their respective obligations under the Subscription Agreement expressed to be performed on or before such date; and
 - (c) there having been delivered to the Managers a certificate of a duly authorised officer of each of ANLLIAN Capital and the Company confirming the matters listed in (a) and (b) above in the form attached to the Subscription Agreement dated as of such date;
- (vi) **Other consents:** on or prior to the Closing Date there shall have been delivered to the Managers copies of all consents and approvals required in relation to the issue of the Bonds and the performance of the obligations of ANLLIAN Capital and the Company under the Subscription Agreement, the Trust Deed, the Agency Agreement and the Bonds (including, without limitation, any consents and approvals required from all lenders, relevant governmental and regulatory authorities);
- (vii) **Listing:** the Stock Exchange having agreed to list the Conversion Shares and the Singapore Stock Exchange having granted approval-in-principle to list the Bonds (or, in each case, the Managers being satisfied that such listing will be granted);
- (viii) **Material adverse change:** after the date of the Subscription Agreement up to and at the Closing Date there shall not have occurred any change (nor any development or event involving a prospective change), in the condition (financial or other), prospects, results of operations, general affairs or properties of ANLLIAN Capital, the Company or the Group, which, in the opinion of the Managers, is material and adverse in the context of the issue and offering of the Bonds; and
- (ix) **Legal opinions:** on or before the Closing Date, there having been delivered to the Managers certain legal opinions on the laws of various jurisdictions (including the British Virgin Islands law, Cayman Islands law, PRC law, English law and Hong Kong law), in each case dated the Closing Date and in form and substance satisfactory to the Managers, and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Managers may require.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent other than items (ii) and (vii) above.

Lock-up Undertaking of ANLLIAN Capital and the Company

Each of ANLLIAN Capital and the Company has jointly and severally undertaken with the Managers that for a period from the date of the Subscription Agreement up to the date falling 90 days after the Closing Date (both dates inclusive), except for the Bonds and the Conversion Shares issued on conversion of the Bonds and any Shares or options granted or issuable pursuant to the Share Schemes, neither ANLLIAN Capital, the Company nor any person acting on their behalf will, without the prior written consent of the Managers:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing.

Lock-up Undertaking of Shareholders

Each of Mr. Ding Shizhong, Mr. Ding Shijia and Anta International has entered into a lock-up undertaking in favour of the Managers and undertake that for a period from the date of the undertaking up to the date falling 90 days after the Closing Date (both dates inclusive), neither him or it will, without the prior written consent of the Managers:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares held by him or it directly (or through nominees) or indirectly through trusts and/or companies controlled by him or it (the “**Lock-up Shares**”) or securities of the same class as the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or securities of the same class as Lock-up Shares or other instruments representing interests in Lock-up Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Lock-up Shares;

- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

other than, in respect of the lock-up undertaking signed by Mr. Ding Shizhong and Mr. Ding Shijia, the transfer of equity interests in Anta International held by entities controlled by the discretionary trust set up by Mr. Ding Shizhong or Mr. Ding Shijia (as the case may be) as settlor(s), provided that Mr. Ding Shizhong together with Mr. Ding Shijia (in respect of the lock-up undertaking signed by Mr. Ding Shizhong) and Mr. Ding Shijia together with Mr. Ding Shizhong (in respect of the lock-up undertaking signed by Mr. Ding Shijia) continue to have control over the Lock-up Shares (including without limitation, the right to sell, pledge, contract to sell or otherwise dispose of the Lock-up Shares) and the ability to exercise all rights with respect to the Lock-up Shares.

Termination

The Managers may, by notice to ANLLIAN Capital and the Company given at any time prior to payment of the net subscription monies for the Bonds to ANLLIAN Capital, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform, or breach of, any of ANLLIAN Capital's and the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the conditions specified in Clause 7 of the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;
- (c) if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls such as would in the Managers' view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
- (d) if, in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange, the Singapore Stock Exchange and/or the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange and/or any other stock exchange or over-the-counter market on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, the PRC, Singapore, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore and/or the United Kingdom; or (iv) a prospective material adverse change or development involving a prospective material

adverse change in taxation or a prospective material adverse change in existing laws or regulations, affecting ANLLIAN Capital, the Company, the Bonds, and the Conversion Shares to be issued upon conversion of the Bonds or the transfer thereof; or

- (e) if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, riots, act of terrorism, act of God or epidemic) as would in the Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised below:

Issuer:	ANLLIAN Capital
Principal amount of the Bonds:	€1,000,000,000, convertible into fully paid ordinary shares with a par value of HK\$0.10 each in the issued and paid up capital of the Company
Issue price:	100.25% of the principal amount of the Bonds
Form and denomination of the Bonds:	The Bonds will be issued in registered form and in denominations of €100,000 each and integral multiples thereof.
Status of the Bonds:	The Bonds will constitute direct, unconditional, unsubordinated and subject to the Conditions, unsecured obligations of ANLLIAN Capital and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of ANLLIAN Capital under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to the Conditions, at all times rank at least equally with all of ANLLIAN Capital's other present and future unsecured and unsubordinated obligations.
Status of guarantee:	The guarantee will constitute direct, unconditional, unsubordinated and subject to the Conditions, unsecured obligations of the Company and shall at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.
Maturity:	Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, ANLLIAN Capital will be required to redeem each Bond at its principal amount on the Maturity Date. ANLLIAN Capital may not redeem the Bonds at its option prior to that date except as provided in the Conditions.

Default interest:

The Bonds are zero coupon and do not bear interest unless, upon due presentation thereof, payment of principal is improperly withheld or refused. If ANLLIAN Capital or the Company (as the case may be) fails to pay any sum in respect of the Bonds when the same becomes due and payable under the Conditions, interest shall accrue on the overdue sum at the rate of 1% per annum from the due date up to whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day falling seven days after the Trustee or the Principal Agent has notified the Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under the Conditions). If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Conversion period:

Subject to the Conditions and upon compliance with the Conditions, each Bondholder may exercise the conversion right attaching to the Bonds at any time (a) on or after the date which is 41 days after the Issue Date (both dates inclusive) up to and including 3:00 p.m. (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling 10 days prior to the Maturity Date (both days inclusive), (b) if such Bond shall have been called for redemption by ANLLIAN Capital before the Maturity Date, then up to and including 3:00 p.m. (at the place aforesaid) on a date falling no later than 10 days (in the place aforesaid) prior to the date fixed for redemption thereof (both days inclusive) or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to the Conditions, up to and including 3:00 p.m. (at the place aforesaid) on the business day (in the place aforesaid) prior to the giving of such notice.

Conversion price:	<p>The initial Conversion Price is HK\$105.28 per Conversion Share, subject to adjustment upon the occurrence of certain prescribed events, namely: (i) consolidation, subdivision, redesignation or reclassification; (ii) capitalisation of profits or reserves; (iii) Distributions; (iv) rights issues of Shares or options over Shares at less than 95% of the Current Market Price per Share; (v) rights issues of other securities; (vi) issues at less than 95% of the Current Market Price per Share; (vii) other issues of convertible securities at less than 95% of the Current Market Price per Share; (viii) modification of rights of conversion at less than 95% of the Current Market Price per Share; (ix) other offers to Shareholders; (x) Change of Control; or (xi) if ANLLIAN Capital otherwise determines that an adjustment should be made to the Conversion Price (collectively, the “Adjustment Events”). Notwithstanding any of the Adjustment Events, no adjustments to the Conversion Price shall be made where Shares or other securities are issued, offered, exercised, allotted or granted to, or for the benefit of, among others, employees and/or former employees of the Company or any of its Subsidiaries pursuant to any employees’ share scheme or plan that is in compliance with the listing rules of the Stock Exchange or the Alternative Stock Exchange, provided that the number of Shares which may be issued upon exercise under such scheme or plan shall be lower than 3% per annum of the average number of issued and outstanding Shares of the Company during the 12 month period up to and including the date of such grant.</p>
Ranking of the Conversion Shares:	<p>The Conversion Shares to be issued upon exercise of the conversion right attaching to the Bonds will be fully paid and rank <i>pari passu</i> 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.</p>
Redemption for taxation reasons:	<p>ANLLIAN Capital (or, if the Guarantee was called, the Company) may at its option, on giving not less than 30 nor more than 60 days’ notice (a “Tax Redemption Notice”) to the Principal Agent and the Trustee in writing and the Bondholders in accordance with the Conditions (which notice will be irrevocable), redeem in whole but not in part, the Bonds at their principal amount on the date specified in the Tax Redemption Notice for redemption, if (a) ANLLIAN Capital (or, if the Guarantee was called, the Company) satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional tax as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC (in the case of a payment by ANLLIAN Capital), or the Cayman Islands or the PRC (in the case of a payment by the Company), or in any such case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 13 January 2020, and (b) such obligation cannot be avoided by ANLLIAN Capital (or, if the Guarantee was called, the Company) taking reasonable measures available to it.</p>

If ANLLIAN Capital (or, if the Guarantee was called, the Company) exercises its tax redemption right, each Bondholder shall have the right to elect that its Bonds shall not be redeemed. Upon a Bondholder electing not to have its Bonds redeemed in such circumstances, any payments due after the relevant date shall be made subject to any deduction or withholding of any tax required to be deducted or withheld.

Redemption at the option of the Issuer: ANLLIAN Capital may at its option, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with the Conditions, the Principal Agent and the Trustee in writing (which notice will be irrevocable), redeem, in whole but not in part, the Bonds 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 purchases (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in aggregate principal amount of the Bonds originally issued.

Redemption for relevant event: Following occurrence of any of the following events:

- (i) when the Shares are not listed or admitted to trading on a Relevant Stock Exchange or are suspended for trading by a Relevant Stock Exchange for a period equal to or exceeding 30 consecutive trading days; or
- (ii) when there is a Change of Control,

each Bondholder will have the right by notice given to the Paying Agent (as defined under the Conditions) not later than 60 days following any such event, or if later, 60 days following the giving of notice by ANLLIAN Capital to the Bondholders of such event to require ANLLIAN Capital to redeem all or some only of such holder's Bonds on the fourteenth (14th) day following the expiry of such 60-day period at their principal amount.

Redemption at the option of the Bondholders: Each Bondholder will have the right by notice given to the Paying Agent (as defined under the Conditions) (which notice will be irrevocable), on the optional put date (i.e. on or around 5 February 2023), to require ANLLIAN Capital to redeem all or some only of such holder's Bond at their principal amount.

- Negative pledge: Each of ANLLIAN Capital and the Company will undertake that, so long as any of the Bonds remains outstanding (as defined in the Trust Deed), it will not, and will ensure that none of their respective Principal Subsidiaries (as defined under the Conditions) will create, permit to subsist or arise, or have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity equally and rateably or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
- Listing: ANLLIAN Capital and the Company will apply to the Singapore Stock Exchange for the listing of the Bonds and to the Stock Exchange for the listing of the Conversion Shares.
- Clearing systems: The Bonds, on issue, will be represented by a global certificate and will be sold outside the United States in reliance on Regulation S under the U.S. Securities Act.
- Upon issue, the Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A.
- Transferability: Transfers of interests in the Bonds evidenced by the global certificate will be effected in accordance with the rules of the relevant clearing systems.

CONVERSION PRICE AND CONVERSION SHARES

Concurrent with the Bond Issue, any of the Managers, acting as stabilising manager (or persons acting on its behalf) (each, a “**Stabilising Manager**”), may, to the extent permitted by applicable laws and directives, over-allot or effect transactions with a view to supporting the market price of the Bonds and/or the Shares at a level higher than that which might otherwise prevail in the open market, but in doing so the Stabilising Manager shall not act as agent of ANLLIAN Capital or the Company and any loss resulting from over-allotment and stabilisation will be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilising Manager. Each Manager has acknowledged that ANLLIAN Capital has not authorised the issue of the Bonds in a principal amount exceeding €1,000,000,000.

The initial Conversion Price of HK\$105.28 per Conversion Share represents:

- (i) a premium of 40.0% over the closing price of the Shares at HK\$75.20 per Share quoted on the Stock Exchange on 13 January 2020, which is the date of the Subscription Agreement;
- (ii) a premium of 42.7% over the average closing price of the Shares at HK\$73.80 per Share for the last five consecutive trading days up to and including 10 January 2020, which is the last trading day before the date of the Subscription Agreement; and
- (iii) a premium of 46.1% over the average closing price of approximately HK\$72.08 per Share for the last ten consecutive trading days up to and including 10 January 2020, which is the last trading day before the date of the Subscription Agreement.

82,129,559 Conversion Shares will be issued upon exercise of the conversion right attaching to the Bonds in full based on the initial Conversion Price of HK\$105.28 per Conversion Share.

The 82,129,559 Conversion Shares, having an aggregate nominal amount of HK\$8,212,955.9 based on a par value of HK\$0.10 per Share, represent:

- (i) approximately 3.04% of the total number of Shares of the Company in issue as at the date of this announcement; and
- (ii) approximately 2.95% of the enlarged total number of issued Shares of the Company upon allotment and issue of such Conversion Shares, assuming that there is no other change to the issued share capital of the Company.

Based on the estimated net proceeds (being the gross proceeds of €1,002,500,000 after the deduction of expenses payable in connection with the Bond Issue) and 82,129,559 Conversion Shares, the net proceeds per Conversion Share is estimated to be approximately HK\$105.43.

GENERAL MANDATE

The Conversion Shares that may fall to be issued upon exercise of the conversion right attaching to the Bonds will be issued under the General Mandate. As at the date of this announcement, the General Mandate has not been fully utilised and up to 521,199,200 new Shares may be issued thereunder. The General Mandate is therefore sufficient for the allotment and issue of the Conversion Shares. As such, the Bond Issue and the Conversion Shares thereunder are not subject to Shareholders' approval at a general meeting.

APPLICATION FOR LISTING

ANLLIAN Capital and the Company will apply to the Singapore Stock Exchange for the listing and quotation of the Bonds on the Singapore Stock Exchange. An application by ANLLIAN Capital and the Company will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon exercise of the conversion right attaching to the Bonds.

REASONS FOR THE BOND ISSUE AND USE OF PROCEEDS

The gross proceeds from the Bond Issue will be €1,002,500,000. The Company intends to use the proceeds for the refinancing of existing debt, working capital and other general corporate purposes.

The Directors are of the view that the Bond Issue can provide the Company with additional funding at lower cost to repay its existing debts and optimise its financing structure, to further strengthen the working capital for the Company, as well as potentially enhance the equity base of the Company.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

CAPITAL RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As disclosed in the announcement of the Company dated 30 May 2019, the Company and Anamerred Investments Inc. entered into a subscription agreement pursuant to which Anamerred Investments Inc. conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 15,842,000 new ordinary shares of the Company in cash at the subscription price of HK\$49.11 per Share, representing a premium of approximately 4.60% over the closing price of HK\$46.95 per Share as quoted on the Stock Exchange as at the date of the subscription agreement. Anamerred Investments Inc. is a connected person of the Company at the subsidiary level under the Listing Rules. Upon completion of the subscription, the net proceeds from the subscription were approximately HK\$778 million. The Company applied the total net proceeds from the subscription for working and general corporate purposes.

Save as disclosed above, the Company has not carried out any equity capital raising activities in the twelve months immediately preceding this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the Company's shareholding structure as at the date of this announcement and upon full exercise of the conversion right attaching to the Bonds.

Name of Shareholders	Shareholding as at the date of this announcement		Assuming the Bonds are fully issued and converted into Shares at the initial Conversion Price of HK\$105.28 each (subject to adjustment)	
	Number of Shares	Approximate % of issued share capital of the Company <i>(Note 1)</i>	Number of Shares	Approximate % of issued share capital of the Company
Anta International <i>(Note 2)</i>	1,373,625,000 <i>(Note 2)</i>	50.84%	1,373,625,000	49.34%
Anda Holdings <i>(Note 2)</i>	160,875,000 <i>(Note 2)</i>	5.95%	160,875,000	5.78%
Anda Investments <i>(Note 2)</i>	115,500,000 <i>(Note 2)</i>	4.27%	115,500,000	4.15%
Shine Well (Far East) Limited	9,446,000	0.35%	9,446,000	0.34%
Talent Trend Investment Limited	1,000,000	0.04%	1,000,000	0.04%
Bondholders	—	—	82,129,559	2.95%
Other Shareholders	1,041,501,000	38.55%	1,041,501,000	37.41%
Total	2,701,947,000	100%	2,784,076,559	100%

Notes:

- (1) Based on 2,701,947,000 Shares in issue as at the date of this announcement.
- (2) 1,373,625,000 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 is wholly-owned by Anta International.

GENERAL

Completion of the Bond Issue is subject to the satisfaction of the conditions precedent to the Subscription Agreement and may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agency Agreement”	the paying, conversion and transfer agency agreement (as amended or supplemented from time to time) between ANLLIAN Capital, the Company, the Trustee and the agents to be named therein to be dated on or about the Closing Date
“Alternative Stock Exchange”	means, at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Anda Holdings”	Anda Holdings International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Anta International
“Anda Investments”	Anda Investments Capital Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Anta International
“ANLLIAN Capital”	ANLLIAN Capital Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Anta International”	Anta International Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a Shareholder holding (directly and indirectly) 61.07% of the issued share capital of the Company as at the date of this announcement
“Board”	the board of Directors
“Bondholders”	holders of the Bonds
“Bonds”	the zero coupon guaranteed convertible bonds due 2025 in the aggregate principal amount of €1,000,000,000 to be issued by ANLLIAN Capital and unconditionally and irrevocably guaranteed by the Company

“Bond Issue”	the issue of the Bonds by ANLLIAN Capital
“Change of Control”	the occurrence of any of the following events: <ul style="list-style-type: none"> (a) the Company ceases to hold (either directly or indirectly) 100% of the issued share capital of ANLLIAN Capital; (b) Anta International ceases (directly or indirectly) to hold at least 40% of the issued share capital of the Company; or (c) the Permitted Holders together cease (directly or indirectly) to hold at least 50% of the issued share capital of Anta International
“Closing Date”	the closing date for the Bond Issue, which is expected to be on 5 February 2020 or such later date, not being later than 14 days after 5 February 2020 as may be agreed between ANLLIAN Capital, the Company and the Managers
“Company”	ANTA Sports Products Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange and the sole shareholder of ANLLIAN Capital
“Conditions”	the terms and conditions of the Bonds
“connected person”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	HK\$105.28 per Conversion Share subject to adjustment in the manner provided in the Conditions
“Conversion Shares”	Shares to be allotted and issued by the Company upon exercise of the conversion right attaching to the Bonds
“Current Market Price”	means, in respect of a Share on a particular date, the average of the daily closing prices of one Share on each of the 20 consecutive trading days ending on and including (i) the trading day immediately preceding such date or (ii) if the relevant announcement was made after the close of trading on such date (being a trading day), such date of announcement; provided that if at any time during such 20 trading day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum-any other entitlement) then:

- (a) if the Shares to be issued in such circumstances do not rank for the dividend (or entitlement) in question, the closing price on the dates on which the Shares shall have been quoted cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the fair market value of that dividend per Share; or
- (b) if the Shares to be issued in such circumstances rank for the dividend or entitlement in question, the closing price on the dates on which the Shares shall have been quoted ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the fair market value of that dividend per Share;

and provided further that if on each of the said 20 trading days the Shares have been quoted cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued do not rank for that dividend (or other entitlement), the closing price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the fair market value of that dividend per Share

“Directors”

the directors of the Company

“Distribution”

means, on a per Share basis, (i) the aggregate distribution of assets *in specie* by the Company for any financial period whenever paid or made and however described and for these purposes a distribution of assets *in specie* includes, without limitation, an issue of Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Shares credited as fully paid to the extent an adjustment to the Conversion Price is made and a Scrip Dividend adjusted for; and (ii) the aggregate cash dividend or distribution on a gross basis (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Company for any financial period (whenever paid and however described) unless it comprises a purchase or redemption of Shares by or on behalf of the Company (or a purchase of Shares by or on behalf of a Subsidiary of the Company, where the weighted average price or consideration (before expenses) on any one day in respect of such purchases does not exceed the Current Market Price of the Shares by more than 5% either (1) on that date, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the trading day immediately preceding the date of such announcement and, if in the case of either (1) or (2) of this definition, the relevant day is not a trading day, the immediately preceding trading day

“General Mandate”	the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 9 April 2019, which authorised the Directors to allot, issue or otherwise deal with up to 537,041,200 Shares, representing 20% of the total number of Shares of the Company in issue as at that date
“Group”	the Company and its subsidiaries, including ANLLIAN Capital, taken as a whole
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Date”	the date the Bonds are constituted by the Trust Deed, on or about 5 February 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Managers”	Merrill Lynch (Asia Pacific) Limited, Citigroup Global Markets Limited and Morgan Stanley & Co. International plc
“Maturity Date”	on or about 5 February 2025
“Permitted Holders”	means any of the following: <ul style="list-style-type: none"> (a) (i) Mr. Ding Shizhong, his spouse or immediate family members or any trust established by any of them for their own benefit or for the benefit of any of their immediate family members; (ii) any affiliate of Mr. Ding Shizhong; and (iii) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 50% by persons specified in (i) or (ii) of this paragraph (a); or (b) (i) Mr. Ding Shijia, his spouse or immediate family members or any trust established by any of them for their own benefit or for the benefit of any of their immediate family members; (ii) any affiliate of Mr. Ding Shijia; and (iii) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 50% by persons specified in (i) or (ii) of this paragraph (b).
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan

“Principal Agent”	The Bank of New York Mellon, London Branch
“Relevant Cash Dividend”	means the aggregate cash dividend or distribution declared by the Company, including any cash dividend in respect of which there is any Scrip Dividend
“Relevant Indebtedness”	means any future or present indebtedness incurred outside the PRC which is in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities which for the time being are, or are issued with the intention on the part of the issuer thereof that they should be, or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market (whether or not initially distributed by way of private placement). For the avoidance of doubt, “Relevant Indebtedness” does not include indebtedness under any bilateral, syndicated or club loans or credit facilities
“Relevant Stock Exchange”	means at any time, in respect of the Shares, the Stock Exchange or the Alternative Stock Exchange (if applicable)
“Scrip Dividend”	means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received
“Shareholders”	holders of Shares from time to time
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Share Schemes”	share option schemes adopted by the Company on 11 June 2007 and 6 April 2017
“Singapore Stock Exchange”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement dated 13 January 2020 entered into between ANLLIAN Capital, the Company and the Managers in relation to the Bond Issue

“Subsidiary”	any company or other business entity of which a person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person, except that solely for the purposes of the Conditions, Anllian Holdco (BVI) Limited and its Subsidiaries shall not be deemed Subsidiaries of the Company and that solely for the purposes of Conditions on negative pledge, Mascot JV Co (Cayman) Limited and its Subsidiaries shall not be deemed Subsidiaries of the Company
“Trustee”	The Bank of New York Mellon, London Branch
“Trust Deed”	the trust deed (as amended or supplemented from time to time) made between, among others, ANLLIAN Capital, the Company and the Trustee to be dated on or about the Closing Date
“United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“%”	per cent.

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

Hong Kong, 14 January 2020

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 and Mr. Zheng Jie; the non-executive director of the Company is Mr. Wang Wenmo; and the independent non-executive directors of the Company are Mr. Yiu Kin Wah Stephen, Mr. Mei Ming Zhi and Mr. Dai Zhongchuan.