

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ANTA Sports Products Limited

安踏體育用品有限公司

(Incorporated in the Cayman Islands with limited liability)

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

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS PACKAGING MATERIAL SUPPLY AGREEMENT

BACKGROUND

Reference is made to the announcements of the Company dated 15 December 2021 in relation to the 2022 PMSA.

The 2022 PMSA will expire on 31 December 2024. The Group expects, for the three financial years ending 31 December 2025, 2026 and 2027, to continue the 2022 CCTs and enter into certain new recurring transactions similar to the 2022 CCTs with the Family Directors and/or their associates. Therefore, on 12 December 2024, the Company entered into the 2025 PMSA with the Family Directors in relation to the supply of PPM for a term of three years with reference to the terms and conditions of the 2022 PMSA.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of the Family Directors, being Mr. Ding Shizhong, Mr. Ding Shijia (the elder brother of Mr. Ding Shizhong) and Mr. Lai Shixian (a brother-in-law of Mr. Ding Shizhong and Mr. Ding Shijia), is a Director, and thus a connected person of the Company. Therefore, the 2025 PMSA and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios of the proposed annual caps of the continuing connected transactions contemplated under the 2025 PMSA, on an annual basis, are more than 0.1% but less than 5%, such transactions are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempted from the independent Shareholders' approval requirement.

INTRODUCTION

Reference is made to the announcements of the Company dated 15 December 2021 in relation to the 2022 PMSA.

2025 PMSA

The 2022 PMSA will expire on 31 December 2024. The Group expects, for the three financial years ending 31 December 2025, 2026 and 2027, to continue the 2022 CCTs and enter into certain new recurring transactions similar to the 2022 CCTs with the Family Directors and/or their associates. Therefore, on 12 December 2024, the Company entered into the 2025 PMSA with the Family Directors in relation to the supply of PPM for a term of three years with reference to the terms and conditions of the 2022 PMSA.

The principal terms of the 2025 PMSA are set out below:

Date: 12 December 2024

Parties: (i) The Company;
(ii) Mr. Ding Shizhong;
(iii) Mr. Ding Shijia; and
(iv) Mr. Lai Shixian

Transaction: Each Family Director shall, and shall procure his relevant associates to, supply PPM to the relevant member(s) of the Group from time to time on normal commercial terms which are no less favourable than those terms made available to the Group from independent third-party suppliers.

Each of the Company and the Family Directors shall, and shall procure the relevant member(s) of the Group and the Family Directors' relevant associates respectively to, enter into a separate sub-agreement for each of the recurring transactions. The detailed terms of a specific transaction shall be set out in such sub-agreement (which is ancillary to and subject to the terms and conditions of the 2025 PMSA) entered or to be entered into.

Pricing basis: The prices for PPM shall be agreed upon from time to time after arm's length negotiations between (i) the relevant member(s) of the Group and (ii) the Family Directors and/or their relevant associates, and shall be comparable to and no less favourable than market prices of similar PPM offered by independent third-party suppliers to the Group.

Credit period: A general credit period of 30 to 60 days, which shall be comparable to and no less favourable than such terms offered by other independent third-party suppliers to the Group in relation to similar PPM, or such other credit period as agreed in the specific sub-agreement ancillary to the 2025 PMSA.

Termination: The 2025 PMSA may be terminated by any party by giving the other parties a prior written notice of not less than 30 days.

Term: 1 January 2025 to 31 December 2027.

Historical Amounts

For the two years ended 31 December 2022 and 2023, and the 11 months ended 30 November 2024, purchases of PPM for the 2022 CCTs amounted to approximately RMB101 million (equivalent to approximately HKD107 million), RMB96 million (equivalent to approximately HKD101 million) and RMB87 million (equivalent to approximately HKD92 million), respectively. The historical amount of purchases for each of the two years ended 31 December 2022 and 2023 was based on the Group's audited consolidated financial statements for the two years ended 31 December 2022 and 2023, respectively; and the historical amount of purchases for the 11 months ended 30 November 2024 was based on the Group's unaudited management accounts for the 11 months ended 30 November 2024.

Proposed Annual Caps

The Directors estimate that the maximum amounts of purchases to be made by the Group under the 2025 PMSA will not exceed RMB120 million (equivalent to approximately HKD127 million), RMB138 million (equivalent to approximately HKD146 million) and RMB159 million (equivalent to approximately HKD168 million), respectively, for each of the three years ending 31 December 2025, 2026 and 2027.

The above proposed annual caps are determined with reference to:

- (a) the historical transaction amounts of the 2022 CCTs;
- (b) the prevailing market prices of PPM;
- (c) the prices of PPM paid by the Group to independent third-party suppliers in similar transactions on normal commercial terms in the ordinary and usual course of business;
- (d) the estimated volume of PPM to be purchased by the Group annually taking into account the expected increase in demand for PPM for the future sales of the Group Products; and
- (e) the estimated future increase of PPM prices.

Internal Controls Measures

In order to ensure that the transactions under the 2025 PMSA are on normal commercial terms or better, the Group has adopted the following measures:

- (a) the Group shall from time to time collect market information from independent third-party suppliers or publicly available information on the prevailing market price of similar PPM offered by independent third-party suppliers;
- (b) the Group shall use the market information collected in (a) above to negotiate with the Family Directors and/or their relevant associates on the price of the PPM supplied to the Group to ensure that it will be comparable to and no less favourable than market prices of similar PPM offered by independent third-party suppliers to the Group;
- (c) the prices of all transactions contemplated under the 2025 PMSA shall be reviewed by the Group's procurement department;
- (d) the implementation of the 2025 PMSA will also be monitored by the internal audit department of the Group on a regular basis and it will report relevant findings to the risk management committee of the Company;
- (e) Director(s) with interest in the relevant transaction(s) shall abstain from voting on the relevant resolution(s); and
- (f) the Company's external auditors and the independent non-executive Directors will conduct annual reviews of the transactions contemplated under the 2025 PMSA pursuant to the requirements under the Listing Rules.

The Company considers that the above internal control measures are sufficient to ensure that the transactions contemplated under the 2025 PMSA will be conducted on normal commercial terms or better and not prejudicial to the interests of the Company and its minority Shareholders.

REASONS FOR AND BENEFITS OF ENTRY INTO THE 2025 PMSA

The Group has been sourcing PPM from the associates of the Family Directors (including Quanzhou Anda) for many years, they have established long-term and good working relationship as well as mutual trust with the Group. Given the proven track record under the previous packaging material supply agreements and the 2022 PMSA, the Company is of the view that the Family Directors and/or their associates are able to meet the Group's requirements on PPM in respect of quality, price and quantity.

The Directors (excluding Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian who have abstained from voting), including the independent non-executive Directors, consider that the continuing connected transactions contemplated under the 2025 PMSA are:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better;
- (c) fair and reasonable; and
- (d) in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND ASSOCIATES OF THE FAMILY DIRECTORS

ANTA was established in 1991; while ANTA Sports Products Limited, a widely recognised global sportswear company, was listed on the Main Board of Stock Exchange in 2007. ANTA Sports principally engages in design, research and development, manufacturing, marketing and sales of professional sports products including footwear, apparel and accessories. Over the years, the Company formed three brand groups: Performance Sports Brands, Fashion Sports Brands and Outdoor Sports Brands, empowering everyone who loves sports. By embracing an all-round brand portfolio including ANTA, FILA, DESCENTE, KOLON SPORT and MAIA ACTIVE, etc., ANTA Sports is also the largest shareholder of Amer Sports, Inc., a global group of iconic sports and outdoor brands, including Arc'teryx, Salomon, Wilson, Peak Performance, and Atomic, whose shares are listed on the New York Stock Exchange (NYSE: AS).

Associates of the Family Directors are companies principally engaged in the manufacture and sales of packaging materials in the Mainland China.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of the Family Directors, being Mr. Ding Shizhong, Mr. Ding Shijia (the elder brother of Mr. Ding Shizhong) and Mr. Lai Shixian (a brother-in-law of Mr. Ding Shizhong and Mr. Ding Shijia), is a Director, and thus a connected person of the Company. Therefore, the 2025 PMSA and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios of the proposed annual caps of the continuing connected transactions contemplated under the 2025 PMSA, on an annual basis, are more than 0.1% but less than 5%, such transactions are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempted from the independent Shareholders' approval requirement.

The Family Directors, being Mr. Ding Shizhong, Mr. Ding Shijia (the elder brother of Mr. Ding Shizhong) and Mr. Lai Shixian (a brother-in-law of Mr. Ding Shizhong and Mr. Ding Shijia), are considered to have a material interest in the transactions contemplated under the 2025 PMSA and therefore have abstained from voting on the relevant Board resolutions for approving the 2025 PMSA. Save as disclosed above, none of the Directors have a material interest in any of the transactions contemplated under the 2025 PMSA and hence no other Director is required to abstain from voting in the relevant Board resolutions.

DEFINITIONS

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

“2022 CCTs”	continuing connected transactions of the Group contemplated under the 2022 PMSA
“2022 PMSA”	the existing packaging material supply agreement dated 15 December 2021 and expiring on 31 December 2024 in relation to the supply of PPM, the details of which are disclosed in the announcement of the Company dated 15 December 2021
“2025 PMSA”	the packaging material supply agreement dated 12 December 2024 entered into between the Company and the Family Directors in relation to the supply of PPM
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“China” or “PRC”	People’s Republic of China
“Company”	ANTA Sports Products Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange with stock codes: 2020 (HKD counter) and 82020 (RMB counter)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Family Director(s)”	Mr. Ding Shizhong, Mr. Ding Shijia and Mr. Lai Shixian, each of them is a Director
“Group”	the Company and its subsidiaries, and “member of the Group” shall mean any of them
“Group Products”	sportswear, including sports footwear, apparel and other accessory products under ANTA brand, FILA brand and other brands owned by or licensed to the Group
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “Hong Kong SAR”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Mainland China”	Mainland of China, geographically excludes Hong Kong SAR, the Macao Special Administrative Region of the PRC and Taiwan region
“percentage ratios”	has the meaning ascribed thereto under the Listing Rules
“PPM”	paper packaging materials, including but not limited to cardboard cases, paper bags and shoe boxes
“Quanzhou Anda”	Quanzhou Anda Packaging Co., Ltd.* (泉州安大包裝有限公司), a sino-foreign equity joint venture incorporated in the PRC on 10 August 2004, an associate of the Family Directors under the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *The English translation of the company names is for reference only. The official names of these companies are in Chinese.*

For illustration purpose in this announcement, amounts in RMB have been translated into HKD at the rate of RMB1 = HKD1.057

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

Hong Kong SAR, 12 December 2024

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