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ANTA Sports Products Limited

安踏體育用品有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2020)

VOLUNTARY ANNOUNCEMENT
FORMATION OF A JOINT VENTURE

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that, on 22 February 2017, ANKO, a wholly-owned subsidiary of the Company, the Kolon Parties and the Company entered into the JV Agreement in relation to the proposed formation of the JV Group to principally operate and engage in the business of marketing, sale and distribution of such categories of products bearing the Kolon Sport IP and the Trademarks in the Territories on an exclusive basis.

ANKO and the Kolon Parties' interest in the JV Company is proposed to be ultimately 50% and 50%, respectively.

The implementation of this joint venture will involve the Kolon Parties (as the case may be) entering into, among others, the IP Transfer Agreement and the IP Licence Agreement with the JV Group, under which the Kolon Parties (as the case may be) will transfer the Kolon Sport IP to the JV Group and grant, among others, an exclusive licensing right to the JV Group to use the Trademarks in the Territories.

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the formation of the JV Group and the transactions contemplated under the JV Agreement are less than 5%, the entering into the JV Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

As completion of the JV Agreement and the transactions contemplated thereunder is subject to the satisfaction of certain conditions set out in this announcement, including the obtaining of the necessary regulatory approvals (including completion of merger control filings in the PRC on or before 21 February 2018), the formation of the JV Group and the transactions contemplated under the JV Agreement may or may not materialise. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that, on 22 February 2017, ANKO, a wholly-owned subsidiary of the Company, the Kolon Parties and the Company entered into the JV Agreement in relation to the proposed formation of the JV Group to principally operate and engage in the business of marketing, sale and distribution of such categories of products bearing the Kolon Sport IP and the Trademarks in the Territories on an exclusive basis.

THE JV AGREEMENT

Date: 22 February 2017

Parties:
(1) ANKO;
(2) Kolon Corporation; and
(3) Kolon Industries.
(4) the Company.

Scope of Business: The business of the JV Group will be to operate and engage in (i) the marketing, sale and distribution of such categories of products as included in the relevant classes in which the Kolon Sport IP and the Trademarks are registered bearing the Kolon Sport IP and the Trademarks in the Territories on an exclusive basis; (ii) the design, manufacture and sourcing of the same in the Territories on an non-exclusive basis; and (iii)the design, manufacture and sourcing of the same outside the Territories, so long as the relevant products will be sold in the Territories, on an non-exclusive basis.

Conditions: The formation of the JV Group is subject satisfaction of (or waiver of, as applicable) of certain conditions including but not limited to obtaining of necessary regulatory approvals (including completion of merger control filings in the PRC on or before 21 February 2018).

Shareholding in the JV Company: The ultimate shareholding for each of the JV Parties in the JV Company is intended to be as follows:

(1) ANKO will hold a total of 50,000 ordinary shares representing 50% of the entire share capital of the JV Company.

(2) Kolon Corporation will hold a total of 25,000 ordinary shares representing 25% of the entire share capital of the JV Company.

(3) Kolon Industries will hold a total of 25,000 ordinary shares representing 25% of the entire share capital of the JV Company.

Composition of boards of directors of the JV Company:	The boards of Directors of the JV Company shall comprise five directors, of which three will be nominated by ANKO, and two will be nominated by the Kolon Parties.
Intellectual Property:	Kolon Parties shall transfer and assign the Kolon Sport IP to the JV Group pursuant to the IP Transfer Agreement and shall grant and/or procure to grant to the JV Group the licences and rights in connection with the Trademarks pursuant to the IP Licence Agreement for the purpose of carrying out the Business.
Transfer Restriction:	No transfer of shares of the JV Company is permitted without the prior consent of all the other JV Parties except, unless otherwise agreed, a transfer of shares by a JV Party to any permitted group company, i.e. in respect of ANKO, any entity directly or indirectly wholly-owned by the Company; in respect of each of Kolon Corporation and Kolon Industries, any entity directly or indirectly wholly owned by Kolon Corporation or Kolon Industries or both, whether individually or collectively;
Guarantee:	The Company has given a guarantee to each of the Kolon Parties in relation to the performance of ANKO's obligations under the JV Agreement.

TRANSFER OF KOLON SPORT IP AND LICENSING OF TRADEMARKS

The implementation of this joint venture will involve the Kolon Parties (as the case may be) entering into, among others, the IP Transfer Agreement and the IP Licence Agreement with the JV Group, under which the Kolon Parties (as the case may be) will transfer the Kolon Sport IP to the JV Group and grant, among others, an exclusive licensing right to the JV Group to use the Trademarks in the Territories.

INFORMATION OF THE PARTIES

ANKO is a company incorporated in the British Virgin Islands in 2017, which is a wholly-owned subsidiary of the Company. The Company primarily designs, develops, manufactures and markets sportswear, including sports footwear, apparel and accessories.

Kolon Corporation is a company incorporated in the Republic of Korea, the shares of which are listed on the Korea Exchange with stock code 002020. As the holding company of the Kolon Group, Kolon Corporation principally engages in management of the Kolon Group's businesses, licensing intellectual property owned by the Kolon Group, real estate sales and leases, market research and management consulting businesses.

Kolon Industries is a company incorporated in the Republic of Korea, the shares of which are listed on the Korea Exchange with stock code 120110. Kolon Industries principally engages in the production of industrial materials (including automotive and advanced materials), chemicals made for industrial and residential purposes, films/electronic materials used in displays and solar devices and fashion clothing.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Kolon Corporation, Kolon Industries and their respective ultimate beneficial owner(s) are third parties independent of the Company and its Connected Persons.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV GROUP

Multi-brand is one of the key strategies of the Group for tapping the full potential in the PRC market. The Board believes that the formation of the JV Group as contemplated under the JV Agreement and the sale and distribution of products bearing the Kolon Sport IP and Trademarks by the JV Group will expand the Group's business territory in the sportswear market in the PRC, particularly for mid to high-end outdoor sportswear, with an objective to improve the Group's profitability and sustainability and enhance its financial performance. The Board believes the formation of the JV Group will be beneficial to the future growth and business development of the Group as a whole.

The terms of the JV Agreement and the transactions contemplated thereunder are based on arm's length negotiation. The Directors are of the view that the terms of the JV Agreement and the transactions contemplated thereunder are made on normal commercial terms and are fair and reasonable and the formation of the JV Group and the transactions contemplated under the JV Agreement is in the interests of the Company and shareholders of the Company as a whole.

IMPLICATION UNDER THE LISTING RULES

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the formation of the JV Group and the transactions contemplated under the JV Agreement are less than 5%, the entering into the JV Agreement and the transactions contemplated thereunder does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The Board wishes to make a voluntary disclosure to keep shareholders of the Company and potential investors informed of the Group's latest business development.

As completion of the JV Agreement and the transactions contemplated thereunder is subject to the satisfaction of certain conditions set out in this announcement, including the obtaining of the necessary regulatory approvals (including completion of merger control filings in the PRC on or before 21 February 2018), the formation of the JV Group and the transactions contemplated under the JV Agreement may or may not materialise. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITION

Unless otherwise specified, the following terms have the following meanings in this announcement:

"ANKO"	ANKO Sports Products Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
"Board"	the board of Directors of the Company
"Business"	the business of the JV Group to operate and engage in (i) the marketing, sale and distribution of such categories of products as included in the relevant classes in which the Kolon Sport IP and the Trademarks are registered bearing the Kolon Sport IP and the Trademarks in the Territories on an exclusive basis; (ii) the design, manufacture and sourcing of the same in the Territories on an non-exclusive basis; and (iii) the design, manufacture and sourcing of the same outside the Territories, so long as the relevant products will be sold in the Territories, on an non-exclusive basis
"Company"	ANTA Sports Products Limited (安踏體育用品有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange with stock code 2020
"Connected Person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"IP Licence Agreement"	the agreement to be entered into by and among the JV Company, a member of the JV Group and the Kolon Parties in relation to the licensing rights relating to the Trademarks for the purpose of carrying out the Business
"IP Transfer Agreement"	the agreement to be entered into by and among the JV Company, a member of the JV Group and Kolon Corporation in relation to the transfer of the Kolon Sport IP for the purpose of carrying out the Business
"JV Agreement"	the agreement entered into amongst the Company, ANKO and the Kolon Parties on 22 February 2017 in relation to the formation of the JV Group
"JV Company"	the company to be incorporated in Hong Kong in accordance with the JV Agreement for the purpose of carrying out the Business
"JV Group"	the JV Company and its subsidiaries, from time to time
"JV Party/Parties"	ANKO, Kolon Corporation and Kolon Industries
"Kolon Corporation"	Kolon Corporation, a company incorporated in Republic of Korea, the shares of which are listed on the Korea Exchange with stock code 002020
"Kolon Group"	Kolon Corporation and its subsidiaries (including Kolon Industries and its subsidiaries)
"Kolon Industries"	Kolon Industries, Inc., a company incorporated in Republic of Korea, the shares of which are listed on the Korea Exchange with stock code 120110
"Kolon Parties"	Kolon Corporation and Kolon Industries
"Kolon Sport IP"	certain intellectual property rights, in relation to the "Kolon Sport" brand name, to be transferred and assigned to the JV Group pursuant to the IP Transfer Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	The People's Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan

"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Territories"	the PRC, Hong Kong, Macau and Taiwan
"Trademarks"	certain intellectual property rights, in relation to "Kolon Sport" brand name, to be licensed to the JV Group pursuant to the IP Licence Agreement
"%"	per cent

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

Hong Kong, 22 February 2017

As at the date of this announcement, the executive Directors are Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Lai Shixian, Mr. Wang Wenmo, Mr. Wu Yonghua and Mr. Zheng Jie; and the independent non-executive Directors are Mr. Yeung Chi Tat, Mr. Lu Hong Te and Mr. Dai Zhongchuan.