

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 code: 2020)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 31 December 2009 in relation to, among others, the renewal of the sportswear sales arrangement between ANTA China and Guangzhou Anda, a connected person of the Company, from 1 January 2010 to 30 April 2010. Pursuant to the Sportswear Sales Agreement, ANTA China may, conditional upon the Independent Shareholders' approval under the Listing Rules being obtained at the Company's general meeting, extend the term to 31 December 2012.

After consideration, it is expected that the continuing connected transactions will continue on a recurring basis after 30 April 2010. ANTA China therefore, subject to Independent Shareholders' approval being obtained, intends to extend the term of the Sportswear Sales Agreement to 31 December 2012.

As the applicable Percentage Ratios of the continuing connected transactions under the extended Sportswear Sales Agreement on an annual basis exceed 2.5%, the transactions constitute non-exempt continuing connected transactions of the Company under the Listing Rules which are subject to Independent Shareholders' approval, reporting and announcement requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders, among other things, in relation to the continuing connected transactions and the Annual Caps for the three years ending 31 December 2012. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in these respects.

A resolution in respect of the extension of term of the Sportswear Sales Agreement, and the Annual Caps will be proposed and considered at the forthcoming AGM seeking approval by the Independent Shareholders by way of poll.

A circular containing, inter alia, (a) further information on the continuing connected transactions with Guangzhou Anda and the Annual Caps; (b) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders; (c) the recommendation from the Independent Board Committee; and (d) a notice of the AGM will be despatched to the Shareholders in due course together with the Company's 2009 annual report.

INTRODUCTION

Reference is made to the announcement of the Company dated 31 December 2009 in relation to, among others, the renewal of the sportswear sales arrangement between ANTA China and Guangzhou Anda from 1 January 2010 to 30 April 2010.

Pursuant to the Sportswear Sales Agreement, the term of the Sportswear Sales Agreement may, conditional upon the Independent Shareholders' approval under the Listing Rules being obtained at the Company's general meeting, be extended to 31 December 2012. After consideration, it is expected that the continuing connected transactions will continue on a recurring basis after 30 April 2010 and therefore, conditional upon the requisite Independent Shareholders' approval being obtained, ANTA China intends to extend the term of the Sportswear Sales Agreement to 31 December 2012.

THE SPORTSWEAR SALES AGREEMENT

On 31 December 2009, ANTA China has entered into the Sportswear Sales Agreement. The Company proposes to seek the approval of the Independent Shareholders at the AGM to extend the term of the Sportswear Sales Agreement to 31 December 2012 and the transactions contemplated thereunder.

Parties:	ANTA China Guangzhou Anda
Services applied:	The Group agreed to sell ANTA Products to Guangzhou Anda from time to time on normal commercial terms which are no more favourable than those available to the Company's independent distributors.
Pricing basis:	The prices at which the Group sells its products to Guangzhou Anda and the other payment terms (i.e. a general credit period between 30 to 90 days from the date of the Group's invoice) will be based on terms that are comparable to, and not more favourable than those available to its independent distributors and after arm's length negotiation and on normal commercial terms.
Term:	1 January 2010 to 30 April 2010 and the term will be extended to 31 December 2012 conditional upon the Independent Shareholders' approval under the Listing Rules being obtained at the Company's general meeting.

Historical amounts and Annual Caps

For the three years ended 31 December 2007, 2008 and 2009, sales of ANTA Products to Guangzhou Anda amounted to approximately RMB385.66 million (equivalent to approximately HK\$438.11 million), RMB301.24 million (equivalent to approximately HK\$342.21 million) and RMB321.31 million (equivalent to approximately HK\$365.01 million) respectively. The sales of the ANTA Products to Guangzhou Anda from 1 January 2010 up to 8 February 2010 (being the latest practicable date for ascertaining the amount of sales) was approximately RMB36.57 million (equivalent to approximately HK\$41.54 million).

The Directors estimate that the annual value of the transactions under the Sportswear Sales Agreement with Guangzhou Anda will not exceed RMB401.64 million (equivalent to approximately HK\$456.26 million), RMB502.05 million (equivalent to approximately HK\$570.33 million) and RMB627.56 million (equivalent to approximately HK\$712.91 million) respectively for the three years ending 31 December 2010, 2011 and 2012. The Annual Caps are based on (i) the Group's actual sales to Guangzhou Anda in 2009 and (ii) the estimated annual growth rate of 25% of the sales. The Directors expected that sales in sportswear products will increase in general during the major sports events such as the Asian Games to be held in Guangzhou, the PRC, later this year, the Shenzhen University Games in 2011 and the 2012 Olympic Games to be held in London.

Reasons for entering into the Sportswear Sales Agreement

Before Guangzhou Anda became the Group's distributor, the sales of ANTA Products to the Guangdong province were principally made to department stores and sole proprietors directly. Guangzhou Anda has been the Group's distributor of a number of major cities in the Guangdong province for years. Through the long-term business relationship with Guangzhou Anda, the Group may retain as many of the customers in the Guangdong province to whom Guangzhou Anda has been distributing and selling the ANTA Products, and benefit from the existing customer base of Guangzhou Anda as a gateway for expanding its own marketing network within the Guangdong province. On the other hand, Guangzhou Anda is assured of the quality of the ANTA Products supplied to them, and would expect that such continuing distributorship arrangements with the Group to bring synergies to both parties. The Directors therefore believe that it is for the benefit of the Group to continue this distributorship arrangement with Guangzhou Anda.

Connected relationship

Guangzhou Anda is a limited liability company incorporated in the PRC and is owned as to 35.0% by Mr. Chen Dinglong, 32.5% by Mr. Ding Qingliang and 32.5% by Ms. Lin Lisui. Mr. Ding Qingliang is the brother-in-law of Mr. Ding, an executive Director, and Guangzhou Anda is a connected person of the Company under Rule 14A.11(4)(c) of the Listing Rules.

LISTING RULES IMPLICATIONS

As the applicable Percentage Ratios of the continuing connected transactions with Guangzhou Anda under the extended Sportswear Sales Agreement on an annual basis

exceed 2.5%, the transactions contemplated under the Sportswear Sales Agreement constitute non-exempt continuing connected transactions of the Company under the Listing Rules, and the extended Sportswear Sales Agreement is subject to Independent Shareholders' approval, reporting and announcement requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company is one of the leading branded sportswear enterprises in the PRC. It primarily designs, develops, manufactures and markets sportswear, including sports footwear, apparel and accessory products for professionals and the general public under the ANTA brand and other brands owned by or licensed to the Group. It sells ANTA Products on a wholesale basis to its distributors which in turn sell ANTA Products to consumers in the PRC.

ANTA China, an indirect wholly-owned subsidiary of the Company, is a wholly foreign-owned enterprise incorporated under the laws of the PRC. ANTA China is principally engaged in the manufacturing, sales and distribution business.

Guangzhou Anda is principally engaged in the trading of ANTA brand sportswear products and currently one of the distributors for ANTA Products.

THE AGM

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the transactions contemplated under the Sportswear Sales Agreement, the extension of term of the Sportswear Sales Agreement, and the Annual Caps . An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in these respects.

A resolution in respect of the extension of term of the Sportswear Sales Agreement, and the Annual Caps will be proposed and considered at the forthcoming AGM seeking approval by the Independent Shareholders by way of poll.

A circular containing, inter alia, (a) further information on the continuing connected transactions with Guangzhou Anda and the Annual Caps; (b) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders; (c) the recommendation from the Independent Board Committee and its view on the Sportswear Sales Agreement; and (d) a notice of the AGM will be despatched to the Shareholders in due course together with the Company's 2009 annual report.

DEFINITIONS

AGM	the annual general meeting of the Company to be held on or around 9 April 2010 for the purposes of considering and approving, among others, the Annual Caps and the transactions contemplated under the Sportswear Sales Agreement
------------	--

Annual Caps	the expected annual caps for the sale and purchase of the ANTA products under the Sportswear Sales Agreement
ANTA China	安踏（中國）有限公司 (ANTA (China) Co., Ltd.*), a wholly foreign-owned enterprise incorporated under the laws of the PRC on 16 August 2000 and an indirect wholly-owned subsidiary of the Company
ANTA Products	sportswear, including sports footwear, apparel and other accessory products under the ANTA brand and other brands owned by or licensed to the Group
Board	the board of directors of the Company
Company or ANTA	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 thereto under the Listing Rules
Director(s)	the director(s) of the Company
Group	the Company and its subsidiaries
Guangzhou Anda	廣州市安大貿易發展有限公司 (Guangzhou Anda Trading Development Co., Ltd.*), a limited liability company incorporated in the PRC on 20 June 2005, a connected person of the Company under the Listing Rules
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
Independent Board Committee	an independent committee of the Board comprising only independent non-executive Directors established to advise the Independent Shareholders in respect of the extension of the term of the Sportswear Sales Agreement, the Annual Caps and the transactions contemplated thereunder
Independent Financial Adviser	an independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the extension of the term of the Sportswear Sales Agreement, the Annual Caps and the transactions contemplated thereunder
Independent Shareholders	the Shareholders other than those who are required to abstain from voting at the AGM under the Listing Rules

Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
Mr. Ding	Mr. Ding Shizhong, an executive Director and a connected person of the Company, under Rule 14A.11 of the Listing Rules
Percentage Ratios	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
PRC	the People's Republic of China, which for the purpose of announcement, shall not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
RMB	Renminbi, the lawful currency of the PRC
Share(s)	Share(s) of the Company
Shareholders	The holder(s) of Shares of the Company
Sportswear Sales Agreement	the sportswear sales agreement dated 31 December 2009 entered into between ANTA China and Guangzhou Anda in relation to the sportswear sales arrangement
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 HK\$ at the rate of RMB1 = HK\$1.136

By order of the Board
ANTA Sports Products Limited
Company Secretary
Ling Shing Ping

Hong Kong, 25 February 2010

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.