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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)**

**(1) POSSIBLE VERY SUBSTANTIAL ACQUISITION  
TO ACQUIRE ALL THE ISSUED AND OUTSTANDING SHARES OF AMER  
SPORTS BY THE OFFEROR THROUGH TENDER OFFER AND ANY SUBSEQUENT  
MANDATORY REDEMPTION PROCEEDINGS  
AND  
(2) GENERAL DISCLOSURE UNDER RULES 13.16 AND 13.18 OF THE LISTING RULES**

### **INTRODUCTION**

Reference is made to the announcements of the Company dated 12 September 2018 and 11 October 2018 in relation to the possible acquisition of Amer Sports.

This announcement is made pursuant to Rules 13.16, 13.18 and 14.34 of the Hong Kong Listing Rules.

### **THE ACQUISITION**

The Board is pleased to announce that, (i) the Company, (investing through its wholly-owned subsidiary Anta SPV) (ii) FountainVest Partners (investing through FountainVest SPV as a limited partner of FV Fund), (iii) Mr. Chip Wilson (investing through Anamered Investments, an investment vehicle owned by him) and (iv) Tencent (investing through Tencent SPV as a limited partner of FV Fund) form an Investor Consortium for purposes of the voluntary recommended public cash Tender Offer for all the issued and outstanding shares in Amer Sports made by the Offeror.

On 7 December 2018 (after trading hours), the Offeror, JV Co, the Company, FV Fund, Anamerred Investments and Amer Sports entered into the Combination Agreement under which the Offeror undertakes to make a voluntary public cash tender offer to purchase all the issued and outstanding shares of Amer Sports, including 1,679,936 shares of Amer Sports currently held indirectly by the Group, corresponding to approximately 1.4% of the issued shares in Amer Sports, but excluding any shares of Amer Sports which are held by Amer Sports or its subsidiaries. On the date of this announcement, the Offeror and Amer Sports also made the Joint Announcement on the Nasdaq Helsinki Stock Exchange in relation to the Acquisition.

If, as a result of the completion of the Tender Offer, the Offeror holds more than 90% (but not all) of the outstanding shares and voting rights of Amer Sports, the Offeror intends to commence the Mandatory Redemption Proceedings under the Finnish Companies Act to redeem all of the remaining outstanding shares of Amer Sports not purchased pursuant to the Tender Offer. Upon completion of the Mandatory Redemption Proceedings, Amer Sports would become a wholly-owned subsidiary of the Offeror and the Offeror intends to cause the shares of Amer Sports to be delisted from the Nasdaq Helsinki Stock Exchange as soon as permissible and reasonably practicable under applicable laws and regulations.

As at the date of the Combination Agreement,

- (a) Amer Sports has issued a total of 116,517,285 shares of which 115,220,745 shares are outstanding and, 1,296,540 shares are held in treasury. The shares of Amer Sports are listed on the Nasdaq Helsinki Stock Exchange. In addition, Amer Sports has an ADR program. The ADRs are traded over-the-counter in the U.S.. Two depositary receipts are equivalent to one share of Amer Sports. Approximately 50,000 shares of Amer Sports are held through the ADR program;
- (b) the Offeror is a Finnish private limited company incorporated for the purpose of making the Tender Offer and is indirectly wholly-owned by the JVCo. The JVCo was incorporated to be the holding company in the acquisition structure and is currently wholly-owned by Anta SPV, a special purpose vehicle directly wholly-owned by the Company. It is expected that, on the third Business Day before the Closing Date, (i) the Company will indirectly through Anta SPV own 57.95%, (ii) FV Fund will own 21.40% (and FountainVest SPV will indirectly, and Tencent will indirectly through Tencent SPV, in each case as a limited partner in FV Fund, respectively own 15.77% and 5.63%), and (iii) Anamerred Investments will own 20.65% of the shares in the Offeror by way of equity contribution to the share capital of JVCo as further described in the paragraph headed “Funding contributions and financing of the acquisition” in this announcement. Accordingly, assuming there is no change in the aforesaid shareholding percentages, the Company will indirectly through Anta SPV own 57.95% of the JVCo immediately following completion of the Tender Offer, as such the JVCo and Offeror would be defined as subsidiaries of the Company under the Hong Kong Listing Rules. However, the JVCo and Offeror will be classified as jointly controlled entities of the Company, FV Fund and Anamerred Investments under the relevant financial reporting standards and will not be consolidated in the consolidated financial statements of the Group, because decisions about certain relevant activities of the JVCo (and in turn, the Offeror) require the consent of directors nominated by other shareholders of the JVCo; and

(c) other than the Company indirectly holding 1,679,936 shares of Amer Sports (corresponding to approximately 1.4% of the issued shares in Amer Sports), other members of the Investor Consortium do not directly or indirectly hold any shares of Amer Sports.

The Offer Price under the Tender Offer is EUR40.00 in cash per Amer Sports share, subject to further adjustment as described in the paragraph headed “Offer Price” in this announcement.

The Offer Price represents a premium of 39% compared to the closing price of the shares of Amer Sports on the Nasdaq Helsinki Stock Exchange on the Original Disclosure Date and a premium of 43% compared to the volume-weighted average price of the shares of Amer Sports on the Nasdaq Helsinki Stock Exchange during the 3-month period prior to and up to the Original Disclosure Date.

The terms of the Tender Offer value the entire issued and outstanding share capital of Amer Sports at approximately EUR4.6 billion.

After the completion of the Tender Offer, the Investor Consortium plans for Amer Sports to be operated independently from the Company, with a separate board of directors. The Investor Consortium has invited Mr. Heikki Takala (the president and the chief executive officer of Amer Sports) and his key executives to continue leading the business. Under the new ownership, Amer Sports’ management team would have the autonomy to execute on its business plan under the strategic direction of the board of directors of Amer Sports.

The completion of the Tender Offer is not expected to have an immediate material effect on the operations, assets, the position of the management, or employees or the business locations of Amer Sports.

The Investor Consortium currently expects to retain Amer Sports’ corporate head office in Helsinki after the completion of the Tender Offer.

The following major shareholders of Amer Sports have, subject to certain customary conditions, irrevocably undertaken to accept the Tender Offer. Kaleva Mutual Insurance Company, Ilmarinen Mutual Pension Insurance Company, Mandatum Life Insurance Company Limited and Varma Mutual Pension Insurance Company, representing in aggregate approximately 7.91% of the issued shares and votes in Amer Sports. In addition, Maa- ja vesitekniiikan tuki r.y., who hold approximately 4.29% of the issued shares and votes in Amer Sports, have expressed that they view the Tender Offer positively.

The board of directors of Amer Sports has decided to unanimously recommend that Amer Sports shareholders accept the Tender Offer.

The Offeror has, and will have on the Closing Date, access to debt and equity funding in sufficient amounts to finance the Tender Offer. The completion of the Tender Offer is not conditional upon availability of financing.

A tender offer document with detailed information on the Tender Offer will be published on or about 20 December 2018. The offer period under the Tender Offer is expected to commence on or about 20 December 2018, and to run for approximately ten weeks. The Offeror reserves the right to extend the offer period from time to time in accordance with the terms and conditions of the Tender Offer. The Tender Offer is currently expected to be completed during the second quarter of 2019 at the latest.

The completion of the Tender Offer is subject to the fulfilment (or waiver by the Offeror) of Offer Conditions on or prior to the Announcement on the Result of the Tender Offer, including, among others, that approvals by the relevant regulatory authorities (including competition authorities) have been received and the Offeror having gained control of more than 90% of the outstanding Amer Sports shares and voting rights.

## **INFORMATION ABOUT AMER SPORTS**

Amer Sports is a sporting goods company with internationally recognized brands including Salomon, Arc'teryx, Peak Performance, Atomic, Mavic, Suunto, Wilson and Precor. Its technically advanced sports equipment, footwear, apparel and accessories aim to improve performance and increase the enjoyment of sports and outdoor activities. The Amer Sports Group's business is balanced by its broad portfolio of sports and products and a presence in all major markets. Shares of Amer Sports are listed on the Nasdaq Helsinki Stock Exchange (stock code: AMEAS).

## **RECOURSE SENIOR FACILITIES AGREEMENT**

In connection with the Acquisition, on 6 December 2018, the Company (as guarantor), the JVCo (as Facility A Borrower) and Anta SPV (as Facility B Borrower) entered into the Recourse Senior Facilities Agreement with the Arrangers, the Lenders and the Agent.

## **HONG KONG LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As the assets ratio (as defined under Rule 14.07(1) of the Hong Kong Listing Rules) in respect of guarantee provided by the Company under the Recourse Senior Facilities Agreement, exceeds 8%, this announcement is also made for the purpose of compliance with Rule 13.16 of the Hong Kong Listing Rules.

The Recourse Senior Facilities Agreement contains provisions which require certain specific performance obligations on certain controlling shareholders of the Company, including requiring certain controlling shareholders of the Company to maintain a minimum percentage of shareholding in the Company. Accordingly, this announcement is also made for the purpose of compliance with Rule 13.18 of the Hong Kong Listing Rules.

## EGM

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, ratify and confirm (if applicable) the Acquisition and all the transactions contemplated under, incidental to, ancillary to, in connection with or for the ultimate purpose of the Acquisition and the related agreements entered and/or to be entered into by the Group, including the escrow arrangement in connection with the Combination Agreement, the financing arrangement and the provision of guarantee given by the Company under the Recourse Senior Facilities Agreement, and the financing arrangement, the provision of guarantee and other securities given by Midco and/or its subsidiaries under the Commitment Letter and the Interim Facilities Agreement and the Non-Recourse Senior Facilities Agreement.

Anta International Group Holdings Limited, which holds directly and indirectly through Anda Investments and Anda Holdings approximately 61.45% voting rights in the general meeting of the Company as at the date of this announcement, has irrevocably and unconditionally undertaken to vote, and to procure Anda Investments and Anda Holdings to vote, in favour of the approval of the Acquisition and the transactions contemplated thereunder in the EGM.

A circular containing, amongst other things, (i) further information on the Acquisition and the transactions contemplated under, incidental to, ancillary to, in connection with or for the ultimate purpose of the Acquisition and the related agreements entered and/or to be entered into by the Group, including the escrow arrangement in connection with the Combination Agreement, the financing arrangement and the provision of guarantee given by the Company under the Recourse Senior Facilities Agreement, and the financing arrangement, the provision of guarantee and other securities given by Midco and/or its subsidiaries under the Commitment Letter and the Interim Facilities Agreement and the Non-Recourse Senior Facilities Agreement; (ii) the financial and other information on the Group; (iii) the financial and other information on Amer Sports; (iv) the unaudited pro forma financial information of the Group as enlarged by Amer Sports Group upon completion of the Acquisition; and (v) the notice of the EGM, is expected to be despatched to the Shareholders on or before 28 January 2019, which is more than 15 Hong Kong Business Days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the Circular.

## WARNING

**As completion of the Tender Offer is subject to the fulfillment (or waiver) of the Offer Conditions, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

Reference is made to the announcements of the Company dated 12 September 2018 and 11 October 2018 in relation to the possible acquisition of Amer Sports.

This announcement is made pursuant to Rules 13.16, 13.18 and 14.34 of the Hong Kong Listing Rules.

The Board is pleased to announce that, (i) the Company (investing through its wholly-owned subsidiary Anta SPV), (ii) FountainVest Partners, (investing through FountainVest SPV as a limited partner of FV Fund), (iii) Mr. Chip Wilson (investing through Anamered Investments, an investment vehicle owned by him) and (iv) Tencent (investing through Tencent SPV as a limited partner of FV Fund) form an Investor Consortium for purposes of the voluntary recommended public cash Tender Offer for all the issued and outstanding shares in Amer Sports made by the Offeror.

On 7 December 2018 (after trading hours), the Offeror, JV Co. the Company, FV Fund, Anamered Investments, and Amer Sports entered into the Combination Agreement under which the Offeror undertakes to make a voluntary public cash tender offer to purchase all the issued and outstanding shares of Amer Sports, including 1,679,936 shares of Amer Sports currently held indirectly by the Group, corresponding to approximately 1.4% of the issued shares in Amer Sports, but excluding any shares of Amer Sports which are held by Amer Sports or its subsidiaries. On the date of this announcement, the Offeror and Amer Sports also made the Joint Announcement on the Nasdaq Helsinki Stock Exchange in relation to the Acquisition.

As at the date of the Combination Agreement,

- (a) Amer Sports has issued a total of 116,517,285 shares of which 115,220,745 shares are outstanding and, 1,296,540 shares are held in treasury. The shares of Amer Sports are listed on Nasdaq Helsinki Stock Exchange. In addition, Amer Sports has a ADR program. The ADRs are traded over-the-counter in the U.S.. Two depositary receipts are equivalent to one share of Amer Sports. Approximately 50,000 shares of Amer Sports are held through the ADR program;
- (b) the Offeror is a Finnish private limited company incorporated for the purpose of making the Tender Offer and is indirectly wholly-owned by the JVCo. The JVCo was incorporated to be the holding company in the acquisition structure and is currently wholly-owned by Anta SPV, a special purpose vehicle directly wholly-owned by the Company. It is expected that, on the third Business Day before the Closing Date, (i) the Company will indirectly through Anta SPV own 57.95%, (ii) FV Fund will own 21.40% (and FountainVest SPV will indirectly, and Tencent will indirectly through Tencent SPV, in each case as a limited partner in FV Fund, respectively own 15.77% and 5.63%), and (iii) Anamered Investments will own 20.65% of the shares in the Offeror by way of equity contribution to the share capital of JVCo as further described in the paragraph headed “Funding contributions and financing of the acquisition” in this announcement. Accordingly, assuming there is no change in the aforesaid shareholding percentages, the Company will indirectly through Anta SPV own 57.95% of the JVCo immediately following completion of the Tender Offer, as such the JVCo and Offeror would be defined as subsidiaries of the Company under the Hong Kong Listing Rules. However, the JVCo and Offeror will be classified as jointly controlled entities of the Company, FV Fund and Anamered Investments under the relevant financial reporting standards and will not be consolidated in the consolidated financial statements of the Group, because decisions about certain relevant activities of the JVCo (and in turn, the Offeror) require the consent of directors nominated by other shareholders of the JVCo; and
- (c) other than the Company indirectly holding 1,679,936 shares of Amer Sports (corresponding to approximately 1.4% of the issued shares in Amer Sports), other members of the Investor Consortium do not directly or indirectly hold any shares of Amer Sports.



## COMBINATION AGREEMENT

**Date:** 7 December 2018

**Parties:** the Offeror, JVCo, the Company, FV Fund, Anamered Investments, and Amer Sports

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, other than the Company indirectly holding shares of Amer Sports, FV Fund, Anamered Investments, JVCo and Amer Sports and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Combination Agreement sets forth the principal terms under which the Offeror will make the Tender Offer:

### **Subject Matter of the Tender Offer**

Pursuant to the Combination Agreement, and subject to the Offer Conditions being satisfied or waived, the Offeror is to acquire all issued and outstanding shares of Amer Sports including 1,679,936 shares of Amer Sports currently held by the Group, corresponding to approximately 1.4% of the issued shares in Amer Sports, but excluding any shares of Amer Sports which are held by Amer Sports or its subsidiaries.

The Tender Offer is not being made for American depositary shares representing the issued and outstanding shares of Amer Sports, nor for ADR evidencing such American depositary shares. However, the Tender Offer is being made for the issued and outstanding shares of Amer Sports underlying the American depositary shares. See the section headed “American Depositary Shares and American Depositary Receipts” below.

### **Offer Price**

The Offer Price under the Tender Offer is EUR40.00 in cash per Amer Sports share. Any change to the number of shares of Amer Sports as a result of a new share issue, reclassification, stock split (including a reverse split) or any other similar transaction with dilutive effect, or distribution of a dividend or other distribution of funds or assets by Amer Sports after the date of the Combination Agreement shall reduce the final Offer Price accordingly on a Euro-for-Euro basis on the gross value distributed or made, before the deduction of any withholding tax and/or any other applicable taxes.

The Offer Price represents a premium of:

- 39% compared to the closing price of the shares of Amer Sports on the Nasdaq Helsinki Stock Exchange on the Original Disclosure Date;
- 43% compared to the volume-weighted average trading price of the shares of Amer Sports on the Nasdaq Helsinki Stock Exchange during the 3-month undisturbed trading period prior to and up to the Original Disclosure Date;

- 63% compared to the volume-weighted average trading price of the shares of Amer Sports on the Nasdaq Helsinki Stock Exchange during the 12-month undisturbed trading period prior to and up to the Original Disclosure Date;
- 14% compared to the closing price of the shares of Amer Sports on the Nasdaq Helsinki Stock Exchange on 5 December 2018, the last trading day before the date of the Joint Announcement; and
- 44% compared to the volume-weighted average trading price of the shares of Amer Sports on the Nasdaq Helsinki Stock Exchange during the 12-month period preceding the date of the Joint Announcement.

The Offer Price is determined after arm's length negotiation among the Investor Consortium and Amer Sports with reference to Amer Sports' market positioning, the historical business and financial performance of Amer Sports and the prospects of the business and its financial condition, as well as Amer Sports' current and historical share prices.

The terms of the Tender Offer value the entire issued and outstanding share capital of Amer Sports at approximately EUR4.6 billion.

#### **Obligation to increase the Tender Offer or to pay compensation**

The Offeror reserves the right to also acquire the issued and outstanding shares of Amer Sports in public trading on the Nasdaq Helsinki Stock Exchange or otherwise before, during and/or after the offer period and any subsequent offer period or otherwise outside the Tender Offer to the extent permitted by Finnish, U.S. and other applicable law.

If the Offeror, or any party referred to in Chapter 11, Section 5 of the Finnish Securities Market Act acquires, before the expiry of the offer period, shares of Amer Sports at a higher price than the Offer Price or otherwise on terms that are more favourable than those of the Tender Offer, the Offeror must amend the terms and conditions of the Tender Offer to the price corresponding to the more favourable acquisition terms. The Offeror shall then, without delay, make public the triggering of the obligation to increase the offer and pay, in connection with the completion of the Tender Offer, the difference between the more favourable acquisition terms and the consideration offered in the Tender Offer to the shareholders who have accepted the Tender Offer.



If the Offeror, or any party referred to in Chapter 11, Section 5 of the Finnish Securities Market Act, acquires during the nine months following the expiry of the offer period shares of Amer Sports at a higher price than the Offer Price or otherwise on terms that are more favourable than those of the Tender Offer, the Offeror must compensate those holders of securities who have accepted the Tender Offer by the amount equal to the difference between the more favourable acquisition terms and the Offer Price. The Offeror shall then, without delay, make public the triggering of the obligation to compensate and pay the difference between the more favourable acquisition terms and the consideration offered in the Tender Offer within one month after the triggering of the obligation to compensate to the shareholders who have accepted the Tender Offer.

### **Terms of payment and settlement of shares**

The sale and purchase of the issued and outstanding shares of Amer Sports validly tendered and not properly withdrawn in accordance with the terms and conditions of the Tender Offer is expected to be executed following the Announcement on the Results of the Tender Offer, but in any event with settlement being commenced no later than the Closing Date. The sale and purchase of the issued and outstanding shares of Amer Sports will take place on the Nasdaq Helsinki Stock Exchange (if permitted by the applicable rules). Otherwise, the sale and purchase of the issued and outstanding shares of Amer Sports will take place outside of the Nasdaq Helsinki Stock Exchange.

### **Tender Offer Document and Offer Period**

A tender offer document with detailed information on the Tender Offer will be published on or about 20 December 2018. The offer period under the Tender Offer is expected to commence on or about 20 December 2018, and to run for approximately ten weeks. The Offeror reserves the right to extend the offer period from time to time in accordance with the terms and conditions of the Tender Offer. The Tender Offer is currently expected to be completed during the second quarter of 2019 at the latest

### **Offer Conditions**

The obligation of the Offeror to accept for payment the tendered shares of Amer Sports and to complete the Tender Offer shall be subject to the fulfilment (or waiver by the Offeror) of the following Offer Conditions on or prior to the Announcement on the Result of the Tender Offer:

- (a) the Tender Offer has been validly accepted with respect to outstanding shares representing, together with any outstanding shares otherwise held by the Offeror prior to the final result announcement, more than 90% of the outstanding shares and voting rights of Amer Sports calculated in accordance with Chapter 18, Section 1 of the Finnish Companies Act governing the right and obligation to commence mandatory redemption proceedings;

- (b) the receipt of all necessary approvals, permits, consents, clearances, termination or expiration of any applicable waiting periods (or extensions thereof) other actions by any competition authorities or other regulatory authorities required under any applicable competition laws or other regulatory laws in any jurisdiction for the completion of the Tender Offer by the Offeror;
- (c) the Tender Offer has been approved by the shareholders of the Company in accordance with, and to the extent required by, applicable law (including the Hong Kong Listing Rules);
- (d) the removal of Article 11 of the articles of association of Amer Sports (in relation to the obligation of shareholders, whose shareholding attains or exceeds certain thresholds, to, on demand by other shareholders, redeem the shares of such other shareholders as well as securities giving entitlement to such shares) has been duly approved by an extraordinary general meeting of shareholders of Amer Sports;
- (e) no legislation or other regulation has been issued or decision by a competent court or regulatory authority has been given that would wholly or in any material part prevent or postpone the completion of the Tender Offer;
- (f) no fact or circumstance has arisen after the announcement of the Tender Offer that constitutes a material adverse change as defined under the Combination Agreement;
- (g) the Combination Agreement has not been terminated in accordance with its terms and remains in full force and effect; and
- (h) the board of directors of Amer Sports has issued its recommendation that the shareholders of Amer Sports to accept the Tender Offer and the recommendation remains in full force and effect and has not been modified, or amended, and the board of directors of Amer Sports has not included conditions to or decided not to issue its recommendation (excluding any technical modification or change of the recommendation required under applicable laws or the Helsinki Takeover Code as a result of a competing offer so long as the recommendation to accept the Tender Offer is upheld).

The Offeror will seek to obtain approvals from relevant regulatory authorities in jurisdictions where the applicable laws and regulations require the Offeror to do so, including the Finnish Financial Supervisory Authority and Foreign Investment Review Board in Australia, the competition authorities in the PRC, the European Union, the U.S., Canada, Mexico, Russia and Turkey, as soon as possible after this announcement. The Offeror preliminarily expects to receive such approvals within the anticipated offer period. However, the offer period may be extended in accordance with the terms and conditions of the Tender Offer to the extent such approvals have not been obtained within that timeframe.

The Offeror reserves the right to withdraw the Tender Offer in the event that any of the Offer Conditions is not fulfilled.

The Offeror can only invoke any of the Offer Conditions so as to cause the Tender Offer not to proceed, to lapse or to be withdrawn if the circumstances which give rise to the right to invoke the relevant Offer Condition have a material significance to the Offeror in view of the Tender Offer, as referred to in the relevant laws and regulations in Finland.

The Offer Conditions set out herein are exhaustive for the completion of the Tender Offer. The Offeror reserves the right to waive, to the extent permitted by applicable law, any of the Offer Conditions that have not been fulfilled. To the extent that a material Offer Condition has been waived, the Offeror may extend the offer period to the extent required by applicable law.

## **Completion**

The initial Expiration Date of the Tender Offer shall be the date which is ten weeks after the date on which the offer period for the Tender Offer commences. The Expiration Date may be extended by the Offeror from time to time until such time in accordance with the Combination Agreement when all Offer Conditions shall have been fulfilled (or waived by the Offeror).

After the fulfilment (or waiver by the Offeror) of the Offer Conditions, the Offeror shall:

- (a) issue in the Announcement on Result of the Tender Offer the final result of the Tender Offer no later than the third Helsinki Business Day after the Expiration Date; and
- (b) promptly and in no event later than the Closing Date, accept for payment, pay for and otherwise take such actions as required to acquire all the outstanding shares of Amer Sports validly tendered and not withdrawn pursuant to the terms of the Tender Offer in accordance with the terms and conditions of the Tender Offer.

The Offeror is expected to accept for payment and otherwise take such actions as required to acquire all the outstanding shares of Amer Sports validly tendered and not withdrawn pursuant to the terms of the Tender Offer following the Announcement on the Result of the Tender Offer. The completion of the Tender Offer is expected to take place on the Closing Date.

## **Other information relating to Amer Sports under the Tender Offer**

As at the date of this announcement, the board of directors of Amer Sports has decided to unanimously recommend that the shareholders of Amer Sports accept the Tender Offer and will issue its complete statement on the Tender Offer in accordance with the Finnish Securities Market Act.

The following major shareholders of Amer Sports have, subject to certain customary conditions, irrevocably undertaken to accept the Tender Offer: Kaleva Mutual Insurance Company, Ilmarinen Mutual Pension Insurance Company, Mandatum Life Insurance Company Limited and Varma Mutual Pension Insurance Company, representing in aggregate approximately 7.91% of the issued shares and votes in Amer Sports. In addition, Maa- ja vesitekniiikan tuki r.y., who hold approximately 4.29% of the issued shares and votes in Amer Sports, have expressed that they view the Tender Offer positively.

Under the Combination Agreement, the board of directors of Amer Sports may not withdraw, modify, amend, include conditions to or decide not to issue its recommendation to accept the Tender Offer unless, after taking advice from its external legal advisor and its external financial adviser, the board of directors of Amer Sports, on the basis of its fiduciary duties under Finnish laws and regulations (including the Helsinki Takeover Code), considers that, due to materially changed circumstances, the acceptance of the Tender Offer would no longer be in the best interest of the holders of outstanding shares of Amer Sports. The board of directors of Amer Sports may withdraw, modify, amend, include conditions to or decide not to issue its recommendation to accept the Tender Offer in accordance with the above in the event of a possible competing or superior offer only if the board of directors of Amer Sports has complied with certain agreed customary procedures allowing the Offeror to negotiate with the board of directors of Amer Sports in respect of such competing or superior offer.

Amer Sports has undertaken not to actively, directly or indirectly, solicit, or knowingly encourage a third party to launch a competing offer, except if such measures are required for the board of directors of Amer Sports to comply with its fiduciary duties towards Amer Sports' shareholders under applicable laws or regulations.

### **Representations, warranties and undertakings**

The Combination Agreement further includes certain customary representations, warranties and undertakings by the parties to the Combination Agreement, such as conduct of business by Amer Sports in the ordinary course of business before the completion of the Tender Offer, and cooperation by the parties in making necessary regulatory filings.

### **Termination**

The Combination Agreement may be terminated and the Acquisition may be abandoned by Amer Sports or the Offeror under certain circumstances, including, amongst other things,

- (a) by a mutual written agreement of the Parties;
- (b) by either Amer Sports or the Offeror, if the Closing Date has not occurred on or before the Long Stop Date (however, this right to terminate shall not be available to the Party whose failure to fulfil any obligation under the Combination Agreement shall have resulted in the failure of the Closing Date to occur on or before the Long Stop Date);
- (c) by either Amer Sports or the Offeror, if any order that would wholly or in any material part prevent or postpone the completion of the Tender Offer shall have been issued by any court or other authority of competent jurisdiction and shall have become final and non-appealable;
- (d) by either Amer Sports or the Offeror, if any new legislation or regulation preventing the completion of the Acquisition or a material part of it, have been issued and entered into force;

- (e) by Amer Sports, if the board of directors of Amer Sports, has withdrawn, modified, amended, included conditions to or decided not to issue its recommendation to accept the Tender Offer in compliance with certain requirements under the Combination Agreement;
- (f) by Amer Sports, if the Offeror has not commenced the Tender Offer within five Helsinki Business Days following approval by the Finnish Financial Supervisory Authority of the Tender Offer Document or such later date as the Finnish Financial Supervisory Authority may agree but in any event no later than the 15<sup>th</sup> Helsinki Business Day following approval by the Finnish Financial Supervisory Authority of the Tender Offer Document;
- (g) by Amer Sports, if the Offeror fails to complete the Tender Offer in accordance with, or breaches certain obligations under the Combination Agreement once the Offer Conditions have been satisfied;
- (h) by the Offeror, if the board of the directors of Amer Sports, has withdrawn, modified, amended, included conditions to or decided not to issue its recommendation to accept the Tender Offer (excluding any technical modification or charge of the recommendation required under applicable laws or the Helsinki Takeover code as result of a competing offer so long as the recommendation to accept the Tender Offer upheld);
- (i) by either Amer Sports or the Offeror upon a material breach of any warranty given, or any covenant or agreement, by the Parties;
- (j) by the Offeror if a material adverse change (as defined in the Combination Agreement) has occurred; and
- (k) by the Offeror if CFIUS informs the Parties that it will recommend that the President of the U.S. block the transaction, or the President of the U.S. announcing a decision to block or prohibit the Acquisition.

### **Liquidated damages**

Subject to the terms of the Combination Agreement, the Offeror shall pay to Amer Sports liquidated damages if the agreement is terminated in certain specific circumstances; namely:

- (a) EUR175 million as liquidated damages, if the Combination Agreement is terminated due to:
  - (i) failure to satisfy regulatory approvals and requirements in the PRC before the Long Stop Date, provided that such approvals and requirements are not based on or required by any new legislation or other new regulation coming into force after the date of the Combination Agreement;
  - (ii) disapproval by the shareholders of the Company for the Tender Offer;
  - (iii) the issue of any final and non-appealable court decision in the PRC that wholly or in any material part prevents or postpones the completion of the Tender Offer;

- (iv) failure on the part of the Offeror to commence the Tender Offer before a prescribed date or failure to complete the Tender Offer in accordance with the Combination Agreement once the Offer Conditions have been satisfied, including if a financing bank fails to provide funding in accordance with the financing arrangements described in this announcement which results in the Offeror failing to complete the Tender Offer (except to the extent that bank is insolvent and therefore prohibited from advancing funds by law or regulation); or
- (b) EUR100 million as liquidated damages, if the Combination Agreement is terminated due to, amongst other things:
  - (i) failure to satisfy certain regulatory approvals and requirements outside the PRC (other than CFIUS or the President of the U.S. pursuant to the Defense Production Act) before the Long Stop Date, provided that such approvals and requirements are not based on or required by any new legislation or other new regulation coming into force after the date of the Combination Agreement; or
  - (ii) the issue of any final and non-appealable court or regulatory authority decision outside the PRC (other than CFIUS or the President of the U.S. pursuant to the Defense Production Act) that wholly or in any material part prevent or postpone the completion of the Tender Offer.
- (c) EUR20 million as liquidated damages, if the Combination Agreement is terminated due to an order issued by CFIUS or the President of the U.S. pursuant to the Defense Production Act, provided that any right to terminate is not triggered due to any new legislation or other new regulation coming into force after the date of this Combination Agreement, and that is not principally due to Amer Sports having failed to provide any information available to Amer Sports as requested or required by CFIUS.

Amer Sports has agreed to reimburse expenses incurred by the Offeror up to EUR15 million in the event of the Combination Agreement is terminated due to certain reasons specified in the Combination Agreement.

The Directors are of the view that having liquidated damages in the Combination Agreement is generally consistent with terms of other similar cross-border acquisitions conducted by public companies in the market.

Such liquidated damages will be satisfied out of the funds placed in the escrow account (see the section headed “Escrow Arrangement” below). In the event that the Combination Agreement is terminated due to any of the abovementioned circumstances and prior to the JVCo becoming jointly controlled by Anta SPV, FV Fund and Anamerred Investments, such funds placed in the escrow account by the Offeror would remain ultimately the sole contribution of the Company, unless otherwise related to Anamerred Investments in certain specified circumstances.



## **MANDATORY REDEMPTION PROCEEDINGS**

Under the Finnish Companies Act, if, as a result of the completion of the Tender Offer, the Offeror holds more than 90% (but not all) of the outstanding shares and voting rights of Amer Sports, the Offeror has the statutory right to commence the Mandatory Redemption Proceedings to acquire the remaining shares not owned by the Offeror at a fair price.

If, as a result of the completion of the Tender Offer, the Offeror holds more than 90% (but not all) of the outstanding shares and voting rights of Amer Sports, any of the remaining minority shareholders of Amer Sports has the right to require the Offeror to redeem the shares held by such minority shareholder.

## **INTENTION OF THE OFFEROR WITH REGARD TO AMER SPORTS**

If, as a result of the completion of the Tender Offer, the Offeror holds more than 90% (but not all) of the outstanding shares and voting rights of Amer Sports, the Offeror intends to commence the Mandatory Redemption Proceedings under the Finnish Companies Act to redeem all of the remaining outstanding shares of Amer Sports not purchased pursuant to the Tender Offer. Upon completion of the Mandatory Redemption Proceedings, Amer Sports would become a wholly-owned subsidiary of the Offeror and the Offeror intends to cause the shares of Amer Sports to be delisted from the Nasdaq Helsinki Stock Exchange as soon as permissible and reasonably practicable under applicable laws and regulations.

After the completion of the Acquisition, the Investor Consortium plans for Amer Sports to be operated independently from the Company, with a separate board of directors. The Investor Consortium has invited Mr. Heikki Takala (the president and chief executive officer of Amer Sports) and his key executives to continue leading the business. Under the new ownership, Amer Sports' management team would have the autonomy to execute on its business plan under the strategic direction of the board of directors of Amer Sports. The Investor Consortium intends to invest significant time, resources and effort in helping Amer Sports to accelerate several important ongoing and new strategic initiatives, including expanding Amer Sports' businesses in the Chinese market.

The completion of the Tender Offer is not expected to have an immediate material effect on the operations, assets, the position of the management, or employees or the business locations of Amer Sports. The Investor Consortium currently expects to retain Amer Sports' corporate head office in Helsinki after the completion of the Tender Offer. The Offeror, however, intends to change the composition of the board of directors of Amer Sports after the completion of the Tender Offer.

## **ARRANGEMENT ABOUT THE JVCO**

The JVCo was incorporated to be the holding company in the acquisition structure and is currently wholly-owned by Anta SPV, a special purpose vehicle directly wholly-owned by the Company.

It is expected that, on the third Business Day before the Closing Date, (i) the Company will indirectly through Anta SPV own 57.95%, (ii) FV Fund will own 21.40% (and FountainVest SPV will indirectly, and Tencent will indirectly through Tencent SPV, in each case as a limited partner in FV Fund, respectively own 15.77% and 5.63%), and (iii) Anamerred Investments will own 20.65% of the shares in the JVCo by way of equity contribution to the share capital of JVCo as further described in the paragraph headed “Funding contributions and financing of the acquisition” in this announcement.

The sole director of JVCo is currently appointed by the Company. It is intended that, pursuant to the Shareholders’ Agreement, with effect on the third Business Day before the Closing Date, the board of directors of JVCo will comprise of seven members with four directors appointed by the Company, one director appointed by FountainVest SPV, one director appointed by Anamerred Investments and one director appointed by Tencent SPV.

The right of each shareholder (other than Tencent SPV, provided that it has not transferred more than such number of shares that would result in Tencent SPV and its affiliates together holding less than 5% of the total issued shares of JVCo as at completion of the Tender Offer) to appoint a director to the board of the JVCo is subject to such shareholder holding not less than 10% of the total issued shares of the JVCo.

Accordingly, assuming there is no change in the aforesaid shareholding percentages, the Company will indirectly through Anta SPV own 57.95% of the JVCo immediately following completion of the Tender Offer, as such the JVCo and Offeror would be defined as subsidiaries of the Company under the Hong Kong Listing Rules. However, the JVCo and Offeror will be classified as jointly controlled entities of the Company, FV Fund and Anamerred Investments under the relevant financial reporting standards and will not be consolidated in the consolidated financial statements of the Group, because decisions about certain relevant activities of the JVCo (and in turn, the Offeror) require the consent of directors nominated by other shareholders of the JVCo.

It is intended that, pursuant to the Shareholders’ Agreement,

- (a) FountainVest SPV has the right to effect a Trade Sale in the event of the Company’s failure to provide a loan to FountainVest SPV for the purpose of contributing capital to the JVCo to repay the outstanding principal under Facility A;
- (b) FountainVest SPV has the right to effect a Trade Sale if a qualified IPO (an IPO of the JVCo at a pre-IPO valuation which would result in FountainVest SPV obtaining at least 200% of its original aggregate equity contributions to JVCo, excluding any equity contributions attributable to such shares distributed by FV Fund to its limited partners as at the completion of the Tender Offer) does not occur within five years of the completion of the Tender Offer under which circumstance the Company shall have a right of first offer to acquire all issued share capital of the JVCo;
- (c) certain shareholders of the JVCo (including the Group) and their affiliates shall not, without the prior written consent of each other shareholder of the JVCo, carry on or invest or be concerned in or assist in business that directly compete with the business of JVCo and, once such shareholders or their affiliates identify or become aware of any business or investment or corporate opportunity of any nature or potential transaction related to the business of international sporting goods brands (but excluding any corporate opportunity relating to apparel not primarily intended for athletic or sports), such shareholder shall refer such corporate opportunity to the JVCo;



The Offeror has, and will have on the Closing Date, access to debt and equity funding in sufficient amounts, as evidenced in equity commitment letters executed by Investor Consortium members and/or their affiliates, to finance the payment of the aggregate Offer Price for all the shares in connection with the Acquisition. The Offeror's obligation to complete the Tender Offer is not conditional upon availability of financing (assuming that all the Offer Conditions are otherwise fulfilled or waived by the Offeror).

Under the Tender Offer, the Offeror also undertakes to purchase 1,679,936 shares of Amer Sports currently held by the Group, corresponding to approximately 1.4% of the issued shares in Amer Sports. Upon completion of such disposal, the Group expects the net movement in fair value reserve in respect of the investment amounting to approximately EUR27 million, being the difference between the original acquisition costs of such shares of Amer Sports of approximately EUR40 million and the consideration for the disposal payable by the Offeror to the Group, would be transferred to the retained earnings of the Group.

The fund to be contributed by the Group for the Acquisition will be financed by (a) external bank financing, including the financing facilities under the Non-Recourse Senior Facilities Agreement and the Recourse Senior Facilities Agreement, (b) internal resources of the Group, and (c) if applicable, sales proceeds of EUR27 million from the disposal of shares of Amer Sports under the Tender Offer by the Company to the Offeror.

## **ESCROW ARRANGEMENT**

In connection with liquidated damages arrangements under the Combination Agreement, the Offeror has in place an escrow arrangement. As at the date of this announcement, the Offeror, which is currently indirectly wholly-owned by the Company, has deposited US\$216,882,750, representing the amount of liquidated damages of EUR175 million with a buffer agreed with Amer Sports, in an escrow account with an independent third party escrow bank. Such escrow amount was advanced by the Company to the Offeror pursuant to a loan agreement and security agreements executed by the Company and the Offeror. If the Combination Agreement is terminated due to certain events as described above, the Offeror and Amer Sports will jointly instruct the third party escrow bank to release the applicable amount of liquidated damages to Amer Sports, subject to the terms of the Combination Agreement and the escrow agreement between the Offeror, Amer Sports and the third party escrow bank.

## **RECOURSE SENIOR FACILITIES AGREEMENT**

In connection with the financing arrangement in connection with the Combination Agreement, on 6 December 2018, the Company (as guarantor), the JVCo (as Facility A Borrower) and Anta SPV (as Facility B Borrower) entered into the Recourse Senior Facilities Agreement with independent third party banks which act as the Arrangers, the Lenders and the Agent.

Subject to the terms of the Recourse Senior Facilities Agreement, the Lenders shall make available:

- (a) a 5-year EUR1,300 million term loan facility (“**Facility A**”) to the Facility A Borrower for the purpose of, amongst other things, (i) funding the settlement of the Tender Offer and the purchase of the shares of Amer Sports; and/or (ii) any refinancing of any indebtedness of Amer Sports Group in connection with the acquisition of shares of Amer Sports; and
- (b) a 5-year EUR900 million term loan facility (“**Facility B**”) to the Facility B Borrower for the purpose of, amongst other things, general corporate purposes including acquiring or subscribing for equity or other ownership interests in the Facility A Borrower and advancing or refinancing loans made to the Facility A Borrower.

The interest rate is 2.0% per annum subject to a ratchet. The Company has guaranteed the full and punctual performance of any and all obligations and undertakings of Facility A Borrower and Facility B Borrower to the Arrangers, the Lenders and the Agent in connection with, and for all amounts which may become due and payable under, the aforesaid loan facilities. Such guarantee will be provided notwithstanding any future change in the shareholding of Anta SPV in the JVCo.

For any disposal resulting in the Facility A Borrower ceasing to hold beneficially (directly or indirectly) at least 50.1% of the issued share capital of Amer Sports, the Company and the Facility A Borrower shall ensure that the lower of (i) an amount equal to the net cash proceeds received by the Group and the JVCo (other than any subsidiary of the JVCo) from the disposal; and (ii) an amount equal to the outstanding loans and accrued interest under the Facility A, is applied in prepayment of Facility A.

A Lender may require that its participation in the Loans is repaid (and a corresponding Commitment cancelled in the amount of participation repaid) if:

- (a) Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Lai Shixian and Mr. Wang Wenmo, all being Directors and controlling shareholders of the Company and/or their respective associates, their controlled entities and related trusts (when taken together) cease to be the ultimate single largest group of shareholders of the Company;
- (b) the shares of the Company cease to be listed on the Hong Kong Stock Exchange;
- (c) the Company ceases to hold beneficially at least 80% of the issued shares of the Facility B Borrower or ceases to have the power to (A) cast, or control the casting of, at least 80% of voting power at a general meeting of the Facility B Borrower; or (B) appoint or remove all, or the majority, of the directors of the Facility B Borrower;
- (d) the Company ceases to hold beneficially (directly or indirectly) at least 30% of the issued shares of the Facility A Borrower or ceases to have the power (directly or indirectly) to cast, or control the casting of, at least 30% of the maximum number of votes that might be cast at a general meeting of the Facility A Borrower; or

- (e) current holders of the Facility A Borrower and their respective affiliates (when taken together) cease to hold beneficially 50.1% of the issued share capital of the Facility A Borrower or cease to have the power to (A) cast, or control the casting of, more than 50.1% of the voting power at a general meeting of the Facility A Borrower; or (B) appoint or remove all, or the majority, of the directors of the Facility A Borrower.

Considering that FountainVest Partners is a private equity firm without any substantial assets, other than those assets under its management for its clients, the lender banks under the Recourse Senior Facilities Agreement require the Company, which has a proven track record of financial results and have substantive assets, to be the guarantor for the recourse senior facilities, and the Company accepted such guarantee arrangement after evaluating all relevant commercial factors.

It is agreed that Anta SPV shall (i) execute the recourse facility on or prior to the date of the Combination Agreement and (ii) deliver certain utilization requests on the third Business Days prior to the completion of the Tender Offer. The Company unconditionally and irrevocably guarantees to, amongst others, the shareholders of JVCo that Anta SPV will comply properly and punctually with its aforementioned obligations and undertakes to indemnify, amongst others, the shareholders of JVCo against any costs or losses suffered or incurred by any of them as a result of Anta SPV's failure to comply properly and punctually with its aforementioned obligations.

## **COMMITMENT LETTER AND INTERIM FACILITIES AGREEMENT**

In relation to the financing arrangement in connection with the Combination Agreement, on 6 December 2018, the Offeror and the Commitment Parties entered into the Commitment Letter, pursuant to which the Commitment Parties shall arrange and underwrite the following non-recourse senior facilities ("**Non-Recourse Senior Facilities**"), subject to the terms of the Commitment Letter:

- (a) a 7-year EUR1,700 million secured term loan facility ("**Non-recourse Term Loan**") for the purpose of financing or refinancing, amongst other things, (i) the acquisition of shares of Amer Sports, including those to be acquired after the Closing Date pursuant to the Mandatory Redemption Proceedings; and/or (ii) repayment or refinancing of certain existing indebtedness of the Amer Sports Group; and
- (b) a 6.5-year EUR315 million secured revolving loan facility for the purpose of, amongst other things, general corporate and working capital purposes of Midco, the Offeror and (following the Closing Date), the Amer Sports Group.

On 6 December 2018, the Offeror (as borrower) and Midco (as guarantor) entered into the Interim Facilities Agreement with, amongst others, independent third party banks which act as the Interim Arrangers, the Interim Lenders and the Interim Agent.



Subject to the terms of the Interim Facilities Agreement, the Interim Lenders shall make available the following interim facilities (the “**Interim Facilities**”) to the Offeror:

- (a) a 90-day EUR1,700 million term loan facility for the purpose of financing or refinancing, amongst other things, (i) the acquisition of shares of Amer Sports, including those to be acquired after the Closing Date pursuant to the Mandatory Redemption Proceedings; and/or (ii) repayment or refinancing of certain existing indebtedness of the Amer Sports Group; and
- (b) a 90-day EUR315 million revolving loan facility for the purpose of, amongst other things, the general corporate and working capital purposes of Midco, the Offeror and (following the Closing Date), the Amer Sports Group.

The interest rate is 3.75% per annum for the term loan facility and 3.25% per annum for the revolving loan facility. Midco has guaranteed the full and punctual performance of any and all obligations and undertakings of the Offeror under or in connection with the Interim Facilities Agreement. The guarantee provided by Midco will be secured by (i) the shares owned by Midco in the Offeror, material loan receivables owed to Midco by the Offeror (if any), and material bank accounts of Midco (if any); and (ii) material loan receivables owed to the Offeror by Midco (if any), material bank accounts of the Offeror (if any) and the Offeror’s book-entry account(s) to be used for the purposes of acquiring the shares of Amer Sports.

The Non-Recourse Senior Facilities will be subject to the terms set out in the Non-Recourse Senior Facilities Agreement. Pursuant to terms of the Commitment Letter and subject to the Non-Recourse Senior Facilities Agreement, (i) each party that accedes to the Non-Recourse Senior Facilities Agreement as a borrower and/or a guarantor shall, to the extent applicable, grant transaction security over material intra-group receivables and its material bank accounts (and, in respect of any English company, grant an English law floating charge); and (ii) a share pledge shall be granted over the shares in any such acceding borrower or guarantor.

Upon execution of the Non-Recourse Senior Facilities Agreement, the Interim Facilities Agreement will be terminated and superseded by the Non-Recourse Senior Facilities Agreement. If the Interim Facilities are utilised, then the intention is that they will be refinanced and replaced by the Non-Recourse Senior Facilities.

## **REASONS FOR AND THE BENEFITS OF THE ACQUISITION**

Amer Sports is a sporting goods company with internationally recognized brands including Salomon, Wilson, Atomic, Arc'teryx, Mavic, Suunto and Precor. Such brands occupy leading positions in their respective segments in the sports industry as set out below:

- Salomon – footwear, apparel and equipment for mountaineering, hiking, trail running and other sports
- Arc'teryx – technical high-performance outerwear and equipment
- Atomic – skiing equipment
- Mavic – bike systems and rider's equipment
- Suunto – dive computers and instruments and sports watches
- Wilson – ball sports equipment
- Precor – fitness equipment

The Group considers that Amer Sports operates a successful platform of internationally recognized sportswear and equipment brands and demonstrates strengths in brand management, distribution channel diversification, research & development, product quality and financial performance. The diversified brand portfolio of Amer Sports also presents a good match to the Group's multi-branded strategy. The Acquisition represents an attractive opportunity for the Group to further invest in premium international sportswear brands, certain of which the Group believes have great potential for development both on a global scale and in China. With assistance from the other members of the Investor Consortium, the Group believes there is significant room for growth in value of Amer Sports through unlocking the full potential of its brands.

The Acquisition will further enhance the Group's ability to expand both locally in the PRC market and abroad as a world leading sports products company.

The Directors are of the view that the terms of the Acquisition, including disposal of shares of Amer Sports by the Company to the Offeror under the Tender Offer, and the transactions contemplated thereunder are fair and reasonable and in the interest of the Shareholders as a whole.

## **INFORMATION ABOUT THE COMPANY**

ANTA brand was established in 1991, and the Company, a leading sportswear company in the PRC, was listed on the Main Board of Hong Kong Stock Exchange in 2007. For many years, the Company has been principally engaged in the design, development, manufacturing and marketing of ANTA sportswear series to provide the mass market in the PRC with professional sporting products including footwear, apparel and accessories. In recent years, the Company has accelerated its strategy of "Single-Focus, Multi-Brand, and Omni-Channel" to deepen its footprint in the sportswear market in the PRC. The Company aims to unlock the potential of both the mass and high-end sportswear markets in the PRC by embracing an all-round brand portfolio including ANTA, FILA, DESCENTE, SPRANDI, KINGKOW and KOLON SPORT, and by seizing new opportunities arising in various important retail channels.

## **INFORMATION ABOUT FV FUND**

FV Fund is a limited partnership established under the laws of Cayman Islands offering limited partnership interests for the purposes of the Acquisition and whose principal business is investment holding. The general partner of FV Fund is FV Babylon Partners GP Ltd which is ultimately controlled by FountainVest Partners.

## **INFORMATION ABOUT FOUNTAINVEST SPV**

FountainVest SPV is an investment holding company owned by funds advised/managed by FountainVest Partners. Founded in 2007, FountainVest Partners is one of the most established independent private equity firms in Asia. FountainVest Partners focuses on long-term oriented investments in industry leaders, partnering closely with management teams to drive growth and create value in diversified areas including in strategy, operations, finance, and industry consolidation. FountainVest Partners has completed a number of successful landmark investments in Asia, Europe, and the U.S.. Sectors of focus include consumer, media & technology, healthcare, industrials, and financial services. FountainVest Partners is backed by some of the largest sovereign wealth funds and public pensions plans around the world, with assets under management of close to US\$5.0 billion.

## **INFORMATION ABOUT ANAMERED INVESTMENTS**

Anamered Investments is an investment vehicle owned by Mr. Chip Wilson, chairman of Hold It All Inc., who is a pioneer in vertical retailing and technical apparel. As the founder of lululemon athletica inc., Mr. Wilson is an expert in designing technical fabrications and bringing technical apparel to global markets. Mr. Wilson retains a significant interest in lululemon athletica inc., as well as a well-diversified portfolio of investments in private equity, private companies, public securities, and real estate. Each of the business Mr. Wilson has invested in privately are nurtured and supported by long-term capital and are held to a high standard of performance, governance, financial return and accountability.

## **INFORMATION ABOUT TENCENT SPV**

Tencent SPV is a special purpose vehicle directly owned by Tencent, who was founded in Shenzhen in 1998 and went public on the Main Board of the Hong Kong Stock Exchange in 2004. Tencent uses technology to enrich the lives of Internet users. Its social products WeChat/Weixin and QQ link users to a rich digital content catalogue including games, video, music and books. Its proprietary targeting technology helps advertisers reach out to hundreds of millions of consumers in China. Its infrastructure services including payment, security, cloud and artificial intelligence create differentiated offerings and support its partners' business growth. Tencent seeks to evolve with the Internet by investing in people and innovation.

## INFORMATION ABOUT AMER SPORTS

Amer Sports is a sporting goods company with internationally recognized brands including Salomon, Arc'teryx, Peak Performance, Atomic, Mavic, Suunto, Wilson and Precor. Its technically advanced sports equipment, footwear, apparel and accessories aim to improve performance and increase the enjoyment of sports and outdoor activities. The Amer Sports Group's business is balanced by its broad portfolio of sports and products and a presence in all major markets. Shares of Amer Sports are listed on the Nasdaq Helsinki Stock Exchange (stock code: AMEAS).

Amer Sports' business is balanced through its broad portfolio of sports and products. Amer Sports develops new and better sporting goods through continuous research and development and sells its products to trade customers (including sporting goods chains, specialty retailers, mass merchants, fitness clubs and distributors) and directly to consumers through brand stores, factory outlets and e-commerce. Its major assets included (i) inventories and work in progress of EUR611.5 million and (ii) other receivables of EUR791.3 million as at 30 September 2018.

As at December 2017, Amer Sports owned sales organizations covered 34 countries and employed approximately 8,600 people.

Set out below are certain consolidated financial information of Amer Sports for the years ended 31 December 2016 and 2017 and the nine months ended 30 September 2018.

	<b>For the year ended 31 December</b>		<b>For the nine months ended 30 September</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<i>(in EUR million)</i>	<i>(in EUR million)</i>	<i>(in EUR million)</i>
	(audited)	(audited)	(unaudited)
Earnings before taxes	173.0	142.0	99.1
Net result	126.9	93.3	69.3
		<b>As at</b>	<b>As at</b>
		<b>31 December 2017</b>	<b>30 September 2018</b>
		<i>(in EUR million)</i>	<i>(in EUR million)</i>
		(audited)	(unaudited)
Total assets		2,604.2	2,958.0
Net assets		888.0	921.5

## **HONG KONG LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

As the assets ratio (as defined under Rule 14.07(1) of the Hong Kong Listing Rules) in respect of guarantee provided by the Company under the Recourse Senior Facilities Agreement, exceeds 8%, this announcement is also made for the purpose of compliance with Rule 13.16 of the Hong Kong Listing Rules.

The Recourse Senior Facilities Agreement contains provisions which require certain specific performance obligations on certain controlling shareholders (as defined in the Hong Kong Listing Rules) of the Company, including requiring certain controlling shareholders of the Company to maintain a minimum percentage of shareholding in the Company. Accordingly, this announcement is also made for the purpose of compliance with Rule 13.18 of the Hong Kong Listing Rules.

## **EGM**

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, ratify and confirm (if applicable) the Acquisition and the transactions contemplated under, incidental to, ancillary to, in connection with or for the ultimate purpose of the Acquisition and the related agreements entered and/or to be entered into by the Group, including the escrow arrangement in connection with the Combination Agreement, the financing arrangement and the provision of guarantee given by the Company under the Recourse Senior Facilities Agreement, and the financing arrangement, the provision of guarantee and other securities given by Midco and/or its subsidiaries under the Commitment Letter and the Interim Facilities Agreement and the Non-Recourse Senior Facilities Agreement.

As at the date of this announcement and to the best of the Director's knowledge, information and belief, the Board is not aware that any Shareholder has a material interest in the Acquisition and the transactions contemplated thereunder, therefore no Shareholder is required to abstain from voting on the proposed resolution to approve the Acquisition and the transactions contemplated thereunder at the EGM.

Anta International Group Holdings Limited, which holds directly and indirectly through Anda Investments and Anda Holdings approximately 61.45% voting rights in the general meeting of the Company as at the date of this announcement, has irrevocably and unconditionally undertaken to vote, and to procure Anda Investments and Anda Holdings to vote, in favour of the approval of the Acquisition and the transactions contemplated thereunder in the EGM.

A circular containing, amongst other things, (i) further information on the Acquisition and the transactions contemplated under, incidental to, ancillary to, in connection with or for the ultimate purpose of the Acquisition and the related agreements entered and/or to be entered into by the Group, including the escrow arrangement in connection with the Combination Agreement, the financing arrangement and the provision of guarantee given by the Company under the Recourse Senior Facilities Agreement, and the financing arrangement, the provision of guarantee and other securities given by Midco and/or its subsidiaries under the Commitment Letter and the Interim Facilities Agreement and the Non-Recourse Senior Facilities Agreement; (ii) the financial and other information on the Group; (iii) the financial and other information on Amer Sports; (iv) the unaudited pro forma financial information of the Group as enlarged by Amer Sports Group upon completion of the Acquisition; and (v) the notice of the EGM, is expected to be despatched to the Shareholders on or before 28 January 2019, which is more than 15 Hong Kong Business Days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the Circular.

## **FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Company’s and the Offeror’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements.

Shareholders, shareholders of Amer Sports, investors of the Company and investors of Amer Sports should not place undue reliance on such forward-looking statements, and the Company and the Offeror do not undertake any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations, the Hong Kong Listing Rules and/or rules of the Nasdaq Helsinki Stock Exchange and/or any other regulatory or supervisory body or agency.

## **INFORMATION FOR U.S. SHAREHOLDERS**

The Tender Offer will be made for the securities of Amer Sports, a public limited liability company incorporated under Finnish Law, and is subject to Finnish disclosure and procedural requirements, which are different from those of the U.S.. The Tender Offer will be made in the U.S. in compliance with Section 14(e) of the Exchange Act, and the applicable rules and regulations promulgated thereunder, including Regulation 14E (subject to the exemptions provided by Rule 14d-1(d) under the Exchange Act) and otherwise in accordance with the requirements of Finnish law. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements, including with respect to the Tender Offer timetable, settlement procedures, withdrawal rights, waiver of conditions and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.



To the extent permissible under applicable laws and regulations, including Rule 14e-5 under the Exchange Act, and in accordance with normal Finnish practice but subject to the comments in the section headed “Obligation to increase the Tender Offer or to pay compensation” in this announcement, the Offeror and its affiliates or its broker and its broker’s affiliates (acting as agents or on behalf of the Offeror or its affiliates, as applicable) may from time to time after the date of this announcement, and other than pursuant to the Tender Offer, directly or indirectly purchase, or arrange to purchase shares of Amer Sports or any securities that are convertible into, exchangeable for or exercisable for shares of Amer Sports. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Amer Sports of such information. No purchases will be made outside of the Tender Offer in the U.S. by or on behalf of the Offeror or its affiliates. In addition, the financial advisors to the Offeror may also engage in ordinary course trading activities in securities of Amer Sports, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

It may be difficult for U.S. shareholders to enforce their rights and any claim arising out of U.S. securities laws, since the Offeror and Amer Sports are located in non-U.S. jurisdictions, and some or all of their officers and directors may be residents of non-U.S. jurisdictions. U.S. shareholders may not be able to sue a non-U.S. company or its officers or directors in a U.S. or non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgment.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of shares of Amer Sports may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each holder of Amer Sports shares is urged to consult his independent professional advisor regarding the tax consequences of accepting the Tender Offer.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the U.S. has (a) approved or disapproved the Tender Offer, (b) passed upon the merits or fairness of the Tender Offer, or (c) passed upon the adequacy or accuracy of the disclosure in this announcement. Any representation to the contrary is a criminal offence in the U.S..

## **AMERICAN DEPOSITARY SHARES AND AMERICAN DEPOSITARY RECEIPTS**

The Offeror is aware that Amer Sports has in place an ADR program in respect of its shares. The Tender Offer will not be made for the ADSs, nor for the ADRs. However, the Tender Offer will be made for the shares underlying the ADSs. Holders of ADSs and ADRs are encouraged to consult with the appropriate depositary regarding the tender of shares that are represented by ADSs.

Holders of ADSs may present their ADSs to the depositary bank for cancellation and (upon compliance with the terms of the deposit agreement relating to the ADR program concerning the shares, including payment of the depositary’s fees and any applicable transfer fees, taxes and governmental charges) delivery of the underlying shares to them. The offer may then be accepted in accordance with its terms for such shares delivered to holders of ADSs upon such cancellation. Holders of ADSs should adhere to the timelines that may be imposed on their cancellation of the ADSs in order to be able to tender the underlying shares into the Tender Offer.

## **WARNING**

**As completion of the Tender Offer is subject to the fulfillment (or waiver) of the Offer Conditions, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Acquisition”	the Tender Offer and any subsequent Mandatory Redemption Proceedings;
“ADR”	Level I American depositary receipt;
“ADS”	American depositary share;
“Agent”	the independent third party bank which acts as the agent of the Arrangers and Lenders under the Recourse Senior Facilities Agreement;
“Amer Sports”	Amer Sports Oyj (Amer Sports Corporation*), a sporting goods company incorporated in Finland whose shares are listed on the official list of Nasdaq Helsinki Stock Exchange (stock code: AMEAS);
“Amer Sports Group”	Amer Sports and its subsidiaries;
“Announcement on the Result of the Tender Offer”	an announcement on the final result of the Tender Offer to be issued by the Offeror in accordance with Chapter 11, Section 18 of the Finnish Securities Market Act;
“Anda Investments”	Anda Investments Capital Limited, a British Virgin Islands private limited company wholly-owned by Anta International Group Holdings Limited;
“Anda Holdings”	Anda Holdings International Limited, a British Virgin Islands private limited company wholly-owned by Anta International Group Holdings Limited;

“Anta SPV”	ANLLIAN Sports Products Limited, a British Virgin Islands private limited company indirectly wholly-owned by the Company;
“Arrangers”	the independent third party banks which act as arrangers under the Recourse Senior Facilities Agreement;
“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	a day (excluding Saturdays, Sundays and public holidays and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) when (i) banks are generally open for business in Helsinki, Hong Kong, London, New York, Dublin, and the Cayman Islands and (ii) on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in EUR;
“CFIUS”	The Committee on Foreign Investment in United States;
“Circular”	the circular to be despatched to the Shareholders containing, amongst other things, further information on the Acquisition and the transactions contemplated thereunder;
“Closing Date”	the twelfth Business Day after the date of the Announcement on the Result of the Tender Offer;
“Combination Agreement”	the combination agreement dated 7 December 2018 entered into by the Offeror, JVCo, the Company, FV Fund, Anamered Investments, and Amer Sports;
“Commitment Parties”	independent third banks which act as mandated lead arranger, bookrunners and underwriters in connection with the financing arrangement in connection with the Combination Agreement;
“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 Hong Kong Stock Exchange (stock code: 2020);
“Commitment Letter”	a commitment letter dated 6 December 2018 entered into by, amongst others, the Offeror and the Commitment Parties in connection with the financing arrangement in connection with the Combination Agreement;
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules;

“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if though fit, approving the Acquisition and the transactions contemplated thereunder;
“EUR”	Euro, the lawful currency of the European Union;
“Expiration Date”	the end of the offer period for the Tender Offer, or such other date as extended by the Offeror from time to time until such time when all Offer Conditions shall have been fulfilled (or waived by the Offeror);
“Facility A”	has the meaning ascribed to it in the section headed “Recourse Senior Facilities Agreement” in this announcement;
“Facility B”	has the meaning ascribed to it in the section headed “Recourse Senior Facilities Agreement” in this announcement;
“Finnish Companies Act”	Finnish Limited Liability Companies Act* (624/2006, as amended);
“Finnish Securities Market Act”	Finnish Securities Market Act* (746/2012, as amended);
“FountainVest SPV”	Baseball Investment Limited, a limited liability company incorporated in the Cayman Islands, which is currently owned/controlled by funds advised/managed by FountainVest Partners;
“FV Fund”	FV Mascot JV, L.P., an exempted limited partnership established in the Cayman Islands whose general partner is FV Babylon GP Limited which is ultimately controlled by FountainVest Partners;
“Group”	the Company and its subsidiaries from time to time;
“Helsinki Business Day(s)”	a day (other than a Saturday, Sunday or public holidays) when (i) banks are generally open for general business in Helsinki and (ii) on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro;
“Hong Kong”	the Hong Kong Special Administrative Region;
“Hong Kong Business Day(s)”	any day on which the Hong Kong Stock Exchange is open for the business of securities dealing;

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Third Party(ies)”	person or company who or which is not a connected person of the Company;
“Interim Agent”	the independent third party bank which acts as the agent of the Interim Arrangers and the Interim Lenders under the Interim Facilities Agreement;
“Interim Arrangers”	the independent third party banks which act as arrangers under the Interim Facilities Agreement;
“Interim Facilities”	has the meaning ascribed to it in the section under “Commitment Letter and Interim Facilities Agreement” in this announcement;
“Interim Facilities Agreement”	an interim facilities agreement dated 6 December 2018 entered into by, amongst others, the Offeror, Midco and the Interim Arrangers, the Interim Lenders and the Interim Agent;
“Interim Lenders”	the independent third party banks which act as lenders under the Interim Facilities Agreement;
“Investor Consortium”	collectively, the Company, FountainVest Partners, Mr. Chip Wilson and Tencent;
“IPO”	initial public offering;
“Joint Announcement”	a joint stock exchange release published on the Nasdaq Helsinki Stock Exchange by the Company and Amer Sports on the date of this announcement in relation to the Acquisition;
“JVCo”	Mascot JVCo (Cayman) Limited, a limited liability company incorporated in the Cayman Islands which is currently wholly-owned by Anta SPV. It is expected that, on the third Business Day before the Closing Date, (i) the Company will indirectly through Anta SPV own 57.95%, (ii) FV Fund will own 21.40% (and FountainVest SPV will indirectly, and Tencent will indirectly through Tencent SPV, in each case as a limited partner in FV Fund, respectively own 15.77% and 5.63%), and (iii) Anamered Investments will own 20.65% of the shares in the Offeror by way of equity contribution to the share capital of JVCo;

“Lenders”	the independent third party banks which act as lenders under the Recourse Senior Facilities Agreement;
“Long Stop Date”	28 June 2019 or such later date as may have been agreed in writing among the Parties and provided further, that the right to postpone such date for a maximum of three months by a written notice to Amer Sports in the event that the non-occurrence of the Closing Date is due to any of the regulatory approvals required for the completion of the Tender Offer (to the extent such regulatory approvals have not been waived by the Offeror) not having been obtained and still being pending on such date;
“Mandatory Redemption Proceedings”	the mandatory redemption proceedings under the Finnish Companies Act by a shareholder, who holds more than 90% of the total number of all the issued shares and voting rights of Amer Sports, to redeem the remaining shares of Amer Sports;
“Midco”	Mascot Midco 1 Oy (Mascot Midco 1 Limited*), a limited liability company incorporated in Finland, the immediate parent company of the Offeror and ultimately wholly-owned by the JVCo;
“Nasdaq Helsinki Stock Exchange”	Nasdaq Helsinki Limited;
“Non-Recourse Senior Facilities”	has the meaning ascribed to it in the section under “Commitment Letter and Interim Facilities Agreement” in this announcement;
“Non-Recourse Senior Facilities Agreement”	a non-recourse senior facilities agreement which is expected to be entered into by, amongst others, the Commitment Parties and the Offeror before the Closing Date pursuant to the Commitment Letter and the Interim Facilities Agreement;
“Offer Conditions”	the offer conditions to the making of the Tender Offer, as set out under the section headed “Offer Conditions” of this announcement;
“Offer Price”	the offer price per offer share of Amer Sports under the Tender Offer;
“Offeror”	Mascot Bidco Oy (Mascot Bidco Limited*), a limited liability company incorporated in Finland for the purpose of making the Tender Offer and ultimately wholly-owned by the JVCo;
“Original Disclosure Date”	10 September 2018, the last trading day prior to Amer Sports confirming the receipt of a non-binding preliminary indication from the Company and FountainVest Partners;



“Party(ies)”	parties to the Combination Agreement, which are the Offeror, JVCo, the Company, FV Fund, Anamerred Investments and Amer Sports;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Recourse Senior Facilities Agreement”	a senior facilities agreement dated 6 December 2018 entered into by, amongst others, the Company, the JVCo, Anta SPV and independent third party banks;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“Shareholders’ Agreement”	a shareholders’ agreement to be entered into by, Anta SPV, FV Fund/ FountainVest SPV, Anamerred Investments and Tencent SPV;
“Tencent SPV”	Mount Jiuhua Investment Limited, a limited liability company incorporated in British Virgin Islands which is currently directly owned by Tencent;
“Tencent”	Tencent Holdings 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 Hong Kong Stock Exchange (stock code: 0700);
“Tender Offer”	a voluntary public cash tender offer to be made by the Offeror to acquire all the issued and outstanding shares of Amer Sports, subject to the fulfilment or waiver by the Offeror of the Offer Conditions;
“Tender Offer Document”	the tender offer document in relation to the Tender Offer;
“Trade Sale”	<p>a sale of 100% of the ordinary shares of JVCo or a sale of all of the business and assets of JVCo and its subsidiaries, in a single transaction or series of related transactions (provided however the aggregate valuation implied by such series of related transactions shall not be lower than the valuation in a single transaction), where:</p> <p>(a) in the event of a Trade Sale of ordinary shares of JVCo, FountainVest SPV shall have the right to require the other shareholders of JVCo to sell all (but not part only) of their ordinary shares of JVCo to the proposed purchaser (the “<b>Trade Sale Purchaser</b>”) on the same terms and at the same price as FountainVest SPV;</p> <p>(b) the consideration for such Trade Sale shall be in cash only;</p>

- (c) the Trade Sale Purchaser shall not be any of the following: (i) any shareholder of JVCo or affiliates of such shareholder; (ii) any competitor of the Company within the PRC as reasonably agreed in good faith among the shareholders of the JVCo in the Shareholders' Agreement; and
- (d) the proceeds of such Trade Sale shall be first used to repay the outstanding principal, interest, fees and charges of Facility A (where JVCo is the borrower) (to the extent not repaid by the Trade Sale Purchaser), and then distributed to the shareholders of JVCo pro rata;

“U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
“US\$”	U.S. dollar(s), the lawful currency of U.S.;
“Anamered Investments”	Anamered Investments Incorporation, a limited liability company incorporated in British Columbia, which is owned by Mr. Chip Wilson; and
“%”	per cent.

*The English names of the Finnish entities, Finnish laws or regulations and Finnish governmental authorities which are marked with \* in this announcement are translations from their Finnish names and are for identification purposes.*

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

Hong Kong, 7 December 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Ding Shizhong, Mr. Ding Shijia, Mr. Lai Shixian, Mr. Wang Wenmo, Mr. Wu Yonghua and Mr. Zhang Jie; and the independent non-executive directors of the Company are Mr. Yiu Kin Wah Stephen, Mr. Lu Hong-Te and Mr. Dai Zhong Chuan.*