
DEFINITIONS

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

“Alpha Top”	Alpha Top Group Limited (頂峰集團有限公司), a limited liability company incorporated in the British Virgin Islands on 18 March 2009 which is wholly owned by Mr. Xu Zhihua
“Amended and Restated Shareholders Agreement”	the agreement dated 4 April 2009 entered into among the Company and its subsidiaries, the Controlling Shareholders, Haojia, the First Round Financial Investors, CCBIAM and the Third Round Financial Investors as amended by two supplemental agreements entered into amongst the same parties dated 24 June 2009 and 27 August 2009 respectively
“Articles of Association” or “Articles”	the articles of association of our Company, conditionally adopted on 8 September 2009 and as amended from time to time, a summary of which is set out in Appendix V to this document
“Associate(s)”	has the meaning ascribed thereto under the [●]
“Brilliant Lead”	Brilliant Lead Group Limited (嶺輝集團有限公司), a limited liability company incorporated in the British Virgin Islands on 18 March 2009 which is wholly owned by Mr. Xu Zhida
“Business Day”	any day (excluding Saturdays, Sundays or public holidays) on which banks in Hong Kong are generally open for normal banking business
“CAGR”	compound annual growth rate
“CBA”	the Chinese Basketball Association
“CCBIAM”	CCB International Asset Management Limited, one of the Second Round Financial Investors. It is incorporated in Hong Kong and is a wholly-owned subsidiary of CCB International (Holding) Limited, which in turn is a wholly-owned subsidiary of China Construction Bank Corporation. It is a licenced corporation under the SFO for Type 9 regulated activity (asset management). Its major business includes direct investment, conducting mergers and acquisitions, providing portfolio management services and fixed income services
“China” or “PRC”	the People’s Republic of China, which for the purposes of this document and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

DEFINITIONS

“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Contract Manufacturers”	depending on the context, our subcontractors who manufacture finished products with the raw materials provided by us, ODMs or OEMs
“Controlling Shareholders”	has the meaning ascribed to it under the [●] and, in the context of our Company and for the purposes of this document, means Mr. Xu Jingnan, Mr. Xu Zhihua, Mr. Xu Zhida, Ms. Wu Tigao, Ever Sound, Alpha Top and Brilliant Lead, who are entitled to control, in aggregate, the exercise of approximately [●]% of the voting rights in the issued share capital of our Company immediately after completion of the [●]
“Convertible Bond Agreement”	the convertible bond agreement dated 28 December 2006 entered into between Legacy China Limited, the Xu Family and the Company
“Director(s)”	the director(s) of the Company whose name(s) are set out in the section headed “Directors and Senior Management” of this document
“Ever Sound”	Ever Sound Development Limited (永聲發展有限公司), a limited liability company incorporated in the British Virgin Islands on 18 March 2009 which is wholly owned by Mr. Xu Jingnan and Ms. Wu Tigao
“Feng Deng”	Feng Deng Shoes Manufacturing Co., Ltd Quanzhou (泉州豐登製鞋有限公司), a limited liability company wholly owned by an Independent Third Party and was initially established in the PRC as a sino-foreign equity joint venture on 30 July 1988 and converted into a wholly foreign owned enterprise in the PRC on 8 August 2003. It was subsequently converted back to a sino-foreign equity joint venture on 10 August 2004. Feng Deng was an associated company of Peak Hong Kong prior to its disposal in April 2007 with all of the relevant procedures completed in accordance with the PRC laws and regulations in July 2007
“FIBA”	Fédération Internationale de Basketball

DEFINITIONS

“First Round Financial Investors”	Sequoia Entities 1 and Pre IPO Capital Partners Limited (a limited company incorporated in the British Virgin Islands in April 2006, which is wholly owned by Mr. Kevin Wu and the principal business of which is private equity investment in China, all of which are independent from the Group, Haojia, the Second Round Financial Investors and the Third Round Financial Investors and each other, except for Sequoia Entities 1 and Sequoia Entities 2 which are partnerships managed by Sequoia Capital China Advisor Limited
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch
“Fujian Peak”	Fujian Peak Group Co., Ltd (福建匹克集團有限公司), previously known as Fujian Quanzhou Peak (Group) Company Limited (福建泉州匹克(集團)有限公司) a collectively-owned enterprise established in the PRC on 22 December 1992 and subsequently converted into a limited liability company on 30 November 2004 and is owned as to 60% by Mr. Xu Jingnan, 20% by Mr. Xu Zhihua and 20% by Mr. Xu Zhida
“GAQSIQ”	General Administration of Quality Supervision, Inspection and Quarantine of the PRC
“GDP”	gross domestic product
“GFA”	gross floor area
“Haojia”	Haojia Global Capital Limited, an investment holding company incorporated in the British Virgin Islands and owned by Mr. Xu Chenyang, Mr. Zhong Zhenfa and Mr. Tian Shixiang, all of whom are Independent Third Parties and are independent from each of the First Round Financial Investors and Second Round Financial Investors
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards promulgated by the International Accounting Standard Board. IFRS includes International Accounting Standards and their interpretations
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with any of the connected persons of our Company

DEFINITIONS

“Investment Agreement”	the agreement entered into between the Company and SCGC on 3 April 2009, as supplemented by a supplementary agreement entered into by the Company, the Controlling Shareholders and SCGC dated 24 June 2009
“Latest Practicable Date”	9 September 2009, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
“LCL Complaint”	the purported complaint made by Legacy China Limited in which it alleged to enforce the obligations under the Convertible Bond Agreement. See the section headed “Our business — legal compliance and proceedings” for details
“Legend Entities”	LC Fund IV, L.P. and Right Lane Limited. LC Fund IV, L.P. was established in the Cayman Islands in 2008, which business is seeking investment opportunities in the PRC. Right Lane Limited is a limited company incorporated in Hong Kong in 1988 and is a wholly-owned subsidiary of Legend Holdings Limited, an investment company in the PRC. It is one of the limited partners of LC Fund IV, L.P. and committed less than 30% of total commitment capital of LC Fund IV, L.P.. Right Lane Limited also holds 30% equity interest of LC Fund IV GP Limited which is the sole general partner of LC Fund IV, L.P.. The manager of LC Fund IV, L.P. is Legend Capital Management Limited which is a professional venture capital management company. Right Lane Limited currently principally invests in offshore information technology companies, venture capital and private equity funds on behalf of Legend Holdings Limited
“Litigation”	the legal proceeding instituted by the Company and the Xu Family against Legacy China Limited, details of which are set out in the paragraph headed “Our business — legal compliance and proceedings”
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company, adopted on 8 September 2009 and as amended from time to time
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“NBA”	the National Basketball Association
“NBA China”	the NBA Sports and Culture Development (Beijing) Co., Ltd.

DEFINITIONS

“ODM”	acronym for original design manufacturer, which is a business that designs and manufactures goods or equipment that is subsequently sold by other companies under their own brand names
“OEM”	acronym for original equipment manufacturer, which is a business that manufactures goods or equipment that is subsequently sold by other companies under their own brand names
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of China
“Peak China”	Peak (China) Limited Company (匹克(中國)有限公司), a WFOE with limited liability established in the PRC on 29 January 2007 and a wholly-owned subsidiary of Peak Hong Kong
“Peak Hong Kong”	Peak (Hong Kong) International Company Limited (匹克(香港)國際有限公司), a limited liability company incorporated in Hong Kong on 2 January 2003 and a wholly-owned subsidiary of Peak Investment
“Peak Investment”	Peak Investment Management Co., Limited (匹克投資管理有限公司), a limited liability company incorporated in the British Virgin Islands on 17 January 2008 and a wholly-owned subsidiary of the Company
“Peak Jiangxi”	Peak (Jiangxi) Industry Co., Ltd. (匹克(江西)實業有限公司), a WFOE with limited liability established in the PRC on 6 April 2006 and a wholly-owned subsidiary of Peak Hong Kong
“Peak Material”	Quanzhou Peak Shoes Material Co., Ltd (泉州匹克鞋材有限公司), a limited liability company wholly owned by an Independent Third Party and was initially established in the PRC as a sino-foreign equity joint venture on 19 March 1993 and converted into a wholly foreign owned enterprise in the PRC on 7 July 2003 and subsequently converted back to a sino-foreign equity joint venture on 10 August 2004. It was an associated company of Peak Hong Kong prior to its disposal in April 2007 with all the relevant procedures completed in accordance with the PRC laws and regulations in July 2007
“Peak Sports”	Fujian Quanzhou Peak Sports Products Co., Ltd. (福建泉州匹克體育用品有限公司), a wholly foreign owned enterprise with limited liability established in the PRC on 10 August 2004 and a wholly owned subsidiary of Peak Hong Kong

DEFINITIONS

“Peak Shoes”	Quanzhou Peak Shoes Co., Ltd (泉州匹克鞋業有限公司), a WFOE with limited liability established in the PRC on 23 July 1994 and a wholly-owned subsidiary of Peak Hong Kong
“Reorganization”	the reorganization by the companies comprising the Group in preparation for the [●]. Please refer to the paragraph headed “Corporate Reorganization” in Appendix VI to this document
“RMB” or “Renminbi”	Chinese yuan or Renminbi yuan, the lawful currency of the PRC
“SCGC”	SCGC Capital Holding Company Limited, one of the Second Round Financial Investors. It is incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Shenzhen Capital (Hong Kong) Co., Limited. Its major business includes provision of consultation services for investment projects, laws and regulations consultation services, project management services, listing planning services and exploration of investment opportunities services
“Second Round Financial Investors”	those investors as described in the section headed “Statutory and General Information — 4. Details of the Second Round Financial Investors” in this document, all of which are Independent Third Parties and are independent from Haojia, each of the First Round Financial Investors and the Third Round Financial Investors and each other
“Sequoia Entities 1”	Sequoia Capital China I, L.P., Sequoia Capital China Partners Fund I, L.P. and Sequoia Capital China Principals Fund I, L.P.. All of them are limited liability partnership incorporated in the Cayman Islands. They invest in companies in early stages of development in China. Their general partner is Sequoia Capital China Management I, L.P. whose general partner is SC China Holding Limited. They are managed by Sequoia Capital China Advisors Limited
“Sequoia Entities 2”	Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P.. All of them are limited liability partnership incorporated in the Cayman Islands. They invest in growing stage companies in China. Their general partner is Sequoia Capital China Growth Fund Management I, L.P. whose general partner is SC China Holding Limited. They are managed by Sequoia Capital China Advisors Limited
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the agreement entered into among the Company and its subsidiaries, the First Round Financial Investors and the Xu Family dated 30 June 2008 setting out certain rights and obligations of the First Round Financial Investors and the Xu Family, and it has been superseded by the Amended and Restated Shareholders Agreement
“Share Purchase Agreement”	the share purchase agreement entered into amongst the Group, the Xu Family, the Third Round Financial Investors and CCBIAM on 4 April 2009 as amended by the supplemental share purchase agreement entered into amongst the same parties on 24 June 2009
“Share Option Scheme”	the share option scheme conditionally adopted by our Company pursuant to a resolution passed by our Shareholders on 8 September 2009
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Repurchases (as amended from time to time)
“Third Round Financial Investors”	Sequoia Entities 2 and Legend Entities, all of which are independent from the Group, Haojia, the First Round Financial Investors, the Second Round Financial Investors and each other except for Sequoia Entities 1 and Sequoia Entities 2 which are partnerships managed by Sequoia Capital China Advisor Limited
“Track Record Period”	1 January 2006 to 30 June 2009
“US” or “United States”	the United States of America
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“WFOE”	wholly foreign owned enterprise within the meaning prescribed under the PRC laws

DEFINITIONS

“WNBA”	the Women’s National Basketball Association
“Xu Family”	Mr. Xu Jingnan, Ms. Wu Tigao, Mr. Xu Zhihua and Mr. Xu Zhida
“%”	per cent.

In this document:

- “Company” and “our Company” refer to Peak Sport Products Co., Limited (匹克體育用品有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability on 15 February 2008;
- “Group”, “our Group”, “our”, “we” and “us” mean Peak Sport Products Co., Limited (匹克體育用品有限公司) and its subsidiaries from time to time and, where the context so requires, in respect of the period before our Company became the holding company of its current subsidiaries, mean the present subsidiaries of our Company and the businesses carried on by such subsidiaries or (as the case may be) their predecessors;
- the terms “associate”, “[●]”, “[●]”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the [●], unless the context otherwise requires;
- “first-tier city” refers to any of Beijing, Shanghai, Guangzhou and Shenzhen;
- “second-tier city” refers to any of Chongqing, Foshan, Tianjin, Chengdu, Wuhan, Shantou, Hangzhou, Xi’an, Nanjing, Shenyang, Ji’nan, Dongguan, Wenzhou, Taizhou, Ningbo, Zhongshan, Suzhou, Xiamen, Changzhou, Wuxi, Zhuhai, Fuzhou, Taiyuan, Qingdao, Kunming, Changsha, Harbin, Yantai, Tangshan, Dalian, Changchun, Putian, Shijiazhuang, Zibo, Huai’an, Zhengzhou and Guiyang; and
- “third-tier city” refers to any other city within China that is not categorised as first or second-tier city.
- Throughout this document, financial information related to the six months ended 30 June 2008 is derived from unaudited financial statements.