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**XU'S SPORT COMPANY LIMITED**  
**許氏體育有限公司**

*(Incorporated in Hong Kong with limited liability)*



**PEAK SPORT PRODUCTS CO.,  
LIMITED**  
**匹克體育用品有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1968)**

**JOINT ANNOUNCEMENT  
PROPOSED PRIVATISATION OF  
PEAK SPORT PRODUCTS CO., LIMITED  
BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES LAW)  
DESPATCH OF SCHEME DOCUMENT**

**DESPATCH OF SCHEME DOCUMENT**

The Scheme Document together with the respective notices of the Court Meeting and EGM to be held on Wednesday, 19 October 2016 and the relevant proxy forms have been despatched to Shareholders on Friday, 23 September 2016.

**RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE**

The Scheme Document contains, among other things, a letter from Gram Capital Limited, the Independent Financial Adviser, giving its advice to the Independent Board Committee in relation to the Proposal, the Scheme and the Option Offer, and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders and Optionholders in respect of the Proposal, the Scheme and the Option Offer. Scheme Shareholders and Optionholders are urged to read and consider carefully the recommendations of the

Independent Board Committee and the advice of the Independent Financial Adviser, in relation to the Proposal, the Scheme and the Option Offer set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, respectively.

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Court Meeting and Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 14 October 2016 to Wednesday, 19 October 2016 (both days inclusive) and during such period, no transfer of Shares will be effected.

### **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

Shareholders and/or potential investors should be aware that the implementation of the Proposal, the Scheme or the Option Offer is subject to the Conditions as detailed in the Scheme Document being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Assuming that all the Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on or before Monday, 31 October 2016 (Cayman Islands time). Details of the Conditions are set out in the Scheme Document.

All the Conditions will have to be fulfilled or waived, as applicable, on or before 28 February 2017 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme and the Proposal will lapse. Further announcements on any changes regarding the timetable of the Scheme and the Proposal will be made as and when necessary.

**Shareholders and potential investors should exercise caution when dealing in the Shares and any options or other rights in respect of them. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.**

### **INTRODUCTION**

References are made to (i) the joint announcement dated 26 July 2016 jointly issued by Peak Sport Products Co., Limited (the “**Company**”) and Xu’s Sport Company Limited (the “**Offeror**”) in relation to the proposal for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Law of the Cayman Islands; and (ii) the joint announcement dated 15 August 2016 jointly issued by the Company and the Offeror in relation to the extension of time for the despatch of the scheme document of the Company and the Offeror (the “**Scheme Document**”).

Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Scheme Document.

## **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document together with the respective notices of the Court Meeting and EGM of the Company to be held on Wednesday, 19 October 2016 and the relevant proxy forms have been despatched to Shareholders on Friday, 23 September 2016.

The Scheme Document contains, among other things, further details of the Proposal, the Scheme and the Option Offer, the expected timetable, the explanatory statement of the Scheme as required under the Companies Law, general information regarding the Company and the Offeror, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser, notice of the Court Meeting and notice of the EGM.

## **RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, which comprises all the independent non-executive directors of the Company, namely Dr. Xiang Bing, Mr. Feng Lisheng and Mr. Zhu Haibin, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting, and to the Optionholders as to its views on acceptance of the Option Offer. The Scheme Document contains, among other things, a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders and Optionholders in respect of the Proposal, the Scheme and the Option Offer.

Gram Capital Limited has been appointed as the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer. The Scheme Document contains, among other things, a letter from the Independent Financial Adviser giving its advice to the Independent Board Committee in relation to the Proposal, the Scheme and the Option Offer.

Scheme Shareholders and Optionholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal, the Scheme and the Option Offer set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, respectively.

## **COURT MEETING AND EGM**

The Court Meeting and the EGM are scheduled to be held at 3: 00 p.m. and 3: 20 p.m. (or so soon thereafter as the Court Meeting convened for the same day and place shall have been concluded or adjourned), respectively, on Wednesday, 19 October 2016 at Rooms 1 & 2, United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong. Notices of these meetings are set out in the Scheme Document.

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications). The EGM will be held for the purpose of considering and if thought fit passing (i) the special resolution by Shareholders to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution by Shareholders to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up on full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable. Information on the number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement.

#### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Court Meeting and Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 14 October 2016 to Wednesday, 19 October 2016 (both days inclusive) and during such period, no transfer of Shares will be registered. In order to be entitled to attend and vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 13 October 2016.

#### **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

Shareholders and/or potential investors should be aware that the implementation of the Proposal, the Scheme or the Option Offer is subject to the Conditions as detailed in the Scheme Document being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Assuming that all Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on or before Monday, 31 October 2016 (Cayman Islands time). Details of the Conditions are set out in the Scheme Document.

All the Conditions will have to be fulfilled or waived, as applicable, on or before 28 February 2017 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme and the Proposal will lapse. Further announcements on any changes regarding the timetable of the Scheme and the Proposal will be made as and when necessary.

## EXPECTED TIMETABLE

The expected timetable for the Proposal is as follows:

**Hong Kong Time**  
*(unless otherwise stated)*

Date of despatch of the Scheme Document . . . . . Friday, 23 September 2016

Date of despatch of the Option Offer Letter  
for the Share Options . . . . . Friday, 23 September 2016

Latest time for Optionholders to exercise their  
vested and outstanding Share Option in  
order to become Shareholders and entitled  
to vote at the Court Meeting and the EGM  
*(Note 1)* . . . . . 3:30 p.m. on Thursday, 13 October 2016

Latest time for lodging transfers of Shares in  
order to qualify for attending and voting  
at the Court Meeting and the EGM . . . . . 4:30 p.m. on Thursday, 13 October 2016

Register of members of the Company closed for  
determination of entitlements of Scheme  
Shareholders to attend and vote at the Court  
Meeting and of Shareholders to attend and  
vote at the EGM *(Note 2)* . . . . . from Friday, 14 October 2016 to  
Wednesday, 19 October 2016  
(both days inclusive)

Latest time for lodging forms of proxy in  
respect of the Court Meeting *(Note 3)* . . . . . 3:00 p.m. on Monday, 17 October 2016  
(or to be handed directly to the  
Chairman at the Court Meeting)

Latest time for lodging forms of proxy in  
respect of the EGM *(Note 3)* . . . . . 3:20 p.m. on Monday, 17 October 2016

Meeting Record Date . . . . . Wednesday, 19 October 2016

Court Meeting *(Note 4)* . . . . . 3:00 p.m. on Wednesday, 19 October 2016

EGM *(Note 4)* . . . . . 3:20 p.m. on Wednesday, 19 October 2016  
(or immediately after the conclusion  
or adjournment of the Court Meeting)

Announcement of results of the Court Meeting  
and the EGM . . . . . not later than 7:00 p.m. on Wednesday,  
19 October 2016

Expected last day for dealing in the Shares  
on the Stock Exchange . . . . . Monday, 24 October 2016

Latest Option Exercise Date (*Note 5*) . . . . . 3:30 p.m. Thursday, 27 October 2016

Latest time for lodging transfers of Shares  
in order to qualify for entitlements  
under the Scheme . . . . . 4:30 p.m. on Thursday, 27 October 2016

Grand Court hearing of the petition to sanction the  
Scheme and to confirm the capital reduction . . . . . Thursday, 27 October 2016  
**(Cayman Islands Time)**

Register of members of the Company closed for  
determining entitlements to qualify  
under the Scheme (*Note 6*) . . . . . from Friday, 28 October 2016 onwards

Announcement of the result of the Grand Court  
hearing to sanction the Scheme and  
to confirm the capital reduction . . . . . Friday, 28 October 2016

Scheme Record Date . . . . . Monday, 31 October 2016

Option Offer Record Date (*Note 7*) . . . . . Monday, 31 October 2016

Effective Date (*Note 8*) . . . . . Monday, 31 October 2016  
**(Cayman Islands Time)**

Announcement of the Effective Date and the withdrawal  
of the listing of the Shares on the Stock Exchange . . . . . Tuesday, 1 November 2016  
(before 8:30 a.m.)

Expected withdrawal of the listing of Shares  
on the Stock Exchange becomes  
effective (*Note 9*) . . . . . 4:00 p.m. on Wednesday, 2 November 2016

Latest time to despatch cheques for cash  
payment under the Scheme . . . . . on or before Wednesday, 9 November 2016

Latest time to accept the Option Offer and closing  
date of the Option Offer (*Note 10*) . . . . . 4:00 p.m. on Monday, 14 November 2016

Announcement of the results of the  
Option Offer on the website of the  
Securities and Futures Commission . . . . . not later than 7:00 p.m. on Monday,  
14 November 2016

Announcement of the results of the Option Offer  
published in one leading English language  
newspaper and one leading Chinese language  
newspaper in Hong Kong . . . . . Tuesday, 15 November 2016

Latest time to despatch cheques for  
cash payment under the Option Offer,  
in respect of the Share Options as at the  
Option Offer Record Date (*Note 11*) . . . . . on or before Wednesday, 23 November 2016

**Shareholders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any change.**

*Notes:*

- (1) Holders of Share Options that vest after the Meeting Record Date are not able to exercise their Share Options in time to entitle them to attend and vote at the Court Meeting and the EGM.
- (2) The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. The book closure period is not for determining entitlements under the Scheme.
- (3) Forms of proxy should be lodged with the office of the Company's branch share registrar, Tricor Investor Services Limited as soon as possible and in any event no later than the times and dates stated above. In order to be valid, the **pink** form of proxy for the Court Meeting and the **white** form of proxy for the EGM must be lodged no later than the latest times and dates stated above. If the **pink** form of proxy is not so lodged, it may also be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it. Completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder and Shareholder, respectively, from attending the relevant meeting and voting in person. In such event, the form of proxy will be deemed to have been revoked.

- (4) The Court Meeting and the EGM will be held at Rooms 1 & 2, United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong at the times and dates specified above. Please see the notice of Court Meeting set out in Appendix IV to the Scheme Document and the notice of EGM set out in Appendix V to the Scheme Document for details.
- (5) If a holder of outstanding Share Option(s) decides not to exercise his/her vested Share Option, the right to subscribe for Shares under such Share Option shall cease to be exercisable (but subject to the proviso in this note) from this time and, subject to the Scheme becoming effective, such holder of Share Option shall only be entitled to the Option Offer in accordance with the terms herein, provided that if the Scheme does not become effective, the outstanding Share Option(s) shall remain capable of being exercised in accordance with their original terms.
- (6) The register of members of the Company will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- (7) Holders of outstanding Share Option(s) as at the Option Offer Record Date will be entitled to the Option Offer.
- (8) The Scheme will only become effective on this date if all the Conditions set out in the paragraph headed “4. Conditions of the Proposal and the Scheme” in the Explanatory Memorandum have been fulfilled or (to the extent permitted) waived (as the case may be).
- (9) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn after 4:00 p.m. on Wednesday, 2 November 2016.
- (10) Forms of Acceptance, duly completed and executed in accordance with the instructions on them, must be lodged with the Offeror at Units 1613 & 1615, 16th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong, for the attention of the board of the Offeror and marked “Peak Sport Products Co., Limited – Option Offer” not later than 4:00 p.m. on Monday, 14 November 2016 (or such later date and time as may be notified by the Offeror or Huatai Financial). Each holder of outstanding Share Option(s) as at the Option Offer Record Date is entitled to accept the Option Offer. If any holders of outstanding Share Option(s) have not accepted the Option Offer, the Share Option(s) held by these holders will be cancelled by the Company and these holders will not receive the Option Offer Price.
- (11) Payment by cheque in respect of validly completed and executed Forms of Acceptance received after the Option Offer Record Date but at or before 4:00 p.m. on Monday, 14 November, 2016 will be despatched within seven Business Days following the later of the date that the Option Offer becomes unconditional and the date of receipt of such validly completed and executed Forms of Acceptance.

**WARNINGS:**

**Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme or the Option Offer is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.**

By Order of the Board of  
**Xu's Sport Company Limited**  
許氏體育有限公司  
**Xu Jingnan**  
*Director*

By Order of the Board of  
**Peak Sport Products Co., Ltd**  
匹克體育用品有限公司  
**Xu Jingnan**  
*Chairman*

Hong Kong, 23 September 2016

*As at the date of this announcement, the directors of the Offeror are Mr. Xu Jingnan, Mr. Xu Zhihua and Mr. Xu Zhida.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Xu Jingnan, Mr. Xu Zhihua and Mr. Xu Zhida; one non-executive director, namely Ms. Wu Tigao; and three independent non-executive directors, namely Dr. Xiang Bing, Mr. Feng Lisheng and Mr. Zhu Haibin.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror) having been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*