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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)

COMPLETION OF PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that completion of the Placing took place on 25 June 2015 and a total of 280,000,000 Shares were successfully placed to not less than six Placees at the Placing Price.

The Board is also pleased to announce that all the conditions of the Subscription were fulfilled and completion of the Subscription took place on 7 July 2015 whereby a total of 280,000,000 Subscription Shares were allotted and issued to the Vendor at the Subscription Price.

The net proceeds from the Subscription are approximately HK\$680 million and are intended to be used predominantly for funding sponsorship and promotional activities to strengthen the Group's image and brand recognition globally, funding daily operations of the Company and its overseas subsidiaries, and repayment of bank loans denominated in foreign currencies.

Reference is made to the announcement (the "**Announcement**") of the Company dated 23 June 2015 in relation to the Placing of existing Shares and Subscription of new Shares under general mandate. Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION OF PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

The Board is pleased to announce that completion of the Placing took place on 25 June 2015 and a total of 280,000,000 Shares were successfully placed to not less than six Placees at the Placing Price.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placees and their ultimate beneficial owners are independent third parties. None of the Placees become a substantial shareholder of the Company as a result of the Placing.

The Board is also pleased to announce that all the conditions of the Subscription were fulfilled and completion of the Subscription took place on 7 July 2015 whereby a total of 280,000,000 new Shares were allotted and issued to the Vendor at the Subscription Price. The Subscription Shares represent approximately 11.72% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares.

The net proceeds from the Subscription are approximately HK\$680 million and are intended to be used predominantly for funding sponsorship and promotional activities to strengthen the Group's image and brand recognition globally, funding daily operations of the Company and its overseas subsidiaries, and repayment of bank loans denominated in foreign currencies.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company prior to and upon completion of the Placing and the Subscription:

Name of Shareholder	Immediately before completion of the Placing		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Subscription	
	Number of Shares	% of Shareholding (approximate)	Number of Shares	% of Shareholding (approximate)	Number of Shares	% of Shareholding (approximate)
Vendor (Note 1)	893,804,246	42.38%	613,804,246	29.10%	893,804,246	37.42%
Brilliant Lead Group Limited (Note 2)	276,960,000	13.13%	276,960,000	13.13%	276,960,000	11.59%
Alpha Top Group Limited (Note 3)	273,060,000	12.95%	273,060,000	12.95%	273,060,000	11.43%
Vendor and its parties acting in concert (Note 4)	1,443,824,246	68.46%	1,163,824,246	55.18%	1,443,824,246	60.44%
Public	665,044,148	31.54%	665,044,148	31.54%	665,044,148	27.84%
Placees	–	0.00%	280,000,000	13.28%	280,000,000	11.72%
TOTAL	2,108,868,394	100.00%	2,108,868,394	100.00%	2,388,868,394	100.00%

Notes:

- (1) the Vendor is owned as to 70% by Mr. Xu Jingnan and 30% by Ms. Wu Tigao, both of whom are Directors.
- (2) Brilliant Lead Group Limited is wholly owned by Mr. Xu Zhida, a Director.
- (3) Alpha Top Group Limited is wholly owned by Mr. Xu Zhihua, a Director.
- (4) Since Mr. Xu Jingnan is the father of Mr. Xu Zhida and Mr. Xu Zhihua, each of Mr. Xu Jingnan, Mr. Xu Zhida, Mr. Xu Zhihua, the Vendor, Brilliant Lead Group Limited and Alpha Top Group Limited is a party presumed to be acting in concert.

By order of the Board
Peak Sport Products Co., Limited
Xu Jingnan
Chairman

Hong Kong, 7 July 2015

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. Wang Mingquan and Mr. Feng Lisheng.