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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)

RECENT OPERATIONAL UPDATE ON BUSINESS IN CHINA

This announcement is made on a voluntary basis by the board of directors (the “Board”) of Peak Sport Products Co., Limited (the “Company”, together with its subsidiaries, the “Group”).

The Board would like to announce the following operational update on the Group’s business in China:

Orders for the fourth quarter of 2016

The Group held its sales fair for the fourth quarter of 2016 in April 2016. The total amount of sales fair orders for the fourth quarter of 2016 at wholesale prices recorded a low single-digit decline when compared to that of the same quarter in 2015. Due to a warmer winter in 2015 and weak consumer sentiment in the first quarter of 2016, we proactively adjusted our sales fair orders on apparel products, notably the cotton-padded jackets and windbreakers. On the footwear side, we still see healthy growth from functional products such as basketball and running shoes.

Set out below is an analysis of the order growth by value and growth in average selling prices at wholesale level (“ASP”) by major product categories of the Group for the sales fair for the fourth quarter of 2016 when compared to those for the same quarter in 2015:

Product category	Footwear	Apparel
Order growth by value (%)	Low-teens	Negative low-teens
ASP growth (%)	Low single-digit	Flat

Same store sales for the first quarter of 2016

The same store sales, in terms of revenue at retail level, for certain retail outlets of the Group for the first quarter ended 31 March 2016 recorded a flat growth. We see weaker consumer confidence and unsettled weather impacting the overall sales during the period. Inventory level in our channels has still been under good control despite a higher retail discount on average.

Retail outlets at the end of the first quarter of 2016

As at 31 March 2016, the total number of authorized retail outlets of the Group in China amounted to 6,002 (31 December 2015: 5,999). All these retail outlets are owned and managed by independent distributors or retail outlet operators.

The Company's shareholders and potential investors should note that the above announcement is made based on unaudited operational data of the Group and this data has not been audited or reviewed by the Company's auditors.

The Company's shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 May 2016

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.