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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)  
(1) RESULTS OF COURT MEETING AND EGM; AND  
(2) CLOSURE OF REGISTER OF MEMBERS**

**RESULTS OF COURT MEETING AND EGM**

The resolution to approve the Scheme was approved by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting on Wednesday, 19 October 2016.

The special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancellation and extinguishment of the Scheme Shares and the ordinary resolution to immediately increase the issued share capital of the Company to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled were approved by the Shareholders at the EGM.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Friday, 28 October 2016 onwards. During such period, no transfer of Shares will be effected.

## **INTRODUCTION**

This announcement is made further to the scheme document jointly issued by the Company and the Offeror to the Shareholders on 23 September 2016 in relation to the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law (the “**Scheme Document**”).

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

## **RESULTS OF THE COURT MEETING**

The Court Meeting was held at 3:00 p.m. on Wednesday, 19 October 2016 at Rooms 1 & 2, United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong. Scheme Shareholders who were present either in person or by proxy were entitled to vote in respect of all of their Scheme Shares.

For the purposes of Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if (1) the Scheme is approved by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders who are present and voting either in person or by proxy at the Court Meeting; (2) the Scheme is approved (by way of poll) by the Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are voting either in person or by proxy at the Court Meeting; and (3) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

	<b>Total number</b>	<b><i>In favour of the Scheme</i></b>	<b><i>Against the Scheme</i></b>
1. Number of Scheme Shares voted by the Independent Shareholders/Scheme Shareholders in person or by proxy	602,379,002	591,138,591	11,240,411
<i>Approximate percentage represented</i>	<i>100%</i>	<i>98.13%</i>	<i>1.87%</i>
2. Number of Independent Shareholders/Scheme Shareholders who attended and voted in person or by proxy	75	56	20
<i>Approximate percentage represented</i>	<i>100%</i>	<i>73.68%</i>	<i>26.32%</i>
3. Approximate percentage of (i) 11,240,411 Shares over (ii) 927,326,148 Shares, where (i) is the number of votes cast against the Scheme, and (ii) is the number of votes attaching all Scheme Shares held by all the Independent Shareholders			1.21%

Thus, as (1) the resolution proposed at the Court Meeting to approve the Scheme was duly passed by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders who were present and voting either in person or by proxy at the Court Meeting; (2) the resolution to approve the Scheme at the Court Meeting was also duly passed (by way of poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders who were voting either in person or by proxy at the Court Meeting; and (3) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all Scheme Shares held by all of the Independent Shareholders, both Section 86 of the Companies Law and Rule 2.10 of the Takeovers Code have been complied with.

As at the date of the Court Meeting, the total number of Shares in issue was 2,389,150,394 and the total number of Scheme Shares entitling the holders to attend and vote for or against the Scheme at the Court Meeting was 927,326,148 Scheme Shares. It was stated in the Scheme Document that the Offeror and the Offeror Concert Parties would not vote at the Court Meeting and accordingly, they did not vote at the Court Meeting. Save for the Offeror and the Offeror Concert Parties, no Scheme Shareholders were required to abstain from voting at the Court Meeting in accordance with the Takeovers Code.

In accordance with the direction from the Grand Court, HKSCC Nominees Limited was permitted to vote once for and once against the Scheme in accordance with instructions received by it from the CCASS Participants. For the purpose of calculating the “majority in number”, HKSCC Nominees Limited was counted as a multi-headed Shareholder voting once “for” and once “against” the Scheme. 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 disclosed to the Grand Court and may be taken into account in deciding whether or not the Grand Court should exercise its discretion to sanction the Scheme. A total number of 34 CCASS Participants representing 589,742,481 Scheme Shares voted in favour of the resolution to approve the Scheme and 8 CCASS Participants representing 11,154,200 Scheme Shares voted against the resolution to approve the Scheme at the Court Meeting.

Tricor Investor Services Limited acted as the scrutineer for the vote-taking at the Court Meeting.

## RESULTS OF THE EGM

The EGM was held after the conclusion of the Court Meeting on Wednesday, 19 October 2016 at the same place for the purpose of considering, and if thought fit, passing the special and ordinary resolutions set out in the notice of the EGM dated 23 September 2016.

The poll results in respect of the resolutions proposed at the EGM were as follows:

<b>Special resolution</b>	<b>Number of votes (%)</b>	
	<b>FOR</b>	<b>AGAINST</b>
1. To approve the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares as defined and more particularly set out in the notice convening the EGM	2,032,100,867 (99.45%)	11,239,201 (0.55%)
<b>Ordinary resolution</b>	<b>Number of votes (%)</b>	
	<b>FOR</b>	<b>AGAINST</b>
2. To consider and approve, amongst others, the increase of the share capital of the Company as more particularly set out in the notice convening the EGM	2,032,109,857 (99.45%)	11,231,211 (0.55%)

Accordingly, (i) the special resolution proposed at the EGM to approve and give effect to the reduction of the issued share capital of the Company by cancellation and extinguishment of the Scheme Shares was duly passed by a majority of not less than 75% of the votes cast by the Shareholders present and voting (either in person or by proxy) at the EGM; and (ii) the ordinary resolution proposed at the EGM to immediately increase the issued share capital of the Company to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled was duly passed by a simple majority of the votes cast by the Shareholders present and voting (either in person or by proxy) at the EGM.

The total number of Shares entitling the holders to attend and vote at the EGM was 2,389,150,394 Shares, representing 100% of the issued share capital of the Company as at the date of the EGM. A total of 2,043,340,068 Shares (representing approximately 85.53% of the total number of Shares) were voted in person or by proxy on a poll in respect of the special resolution described under paragraph (i) above, and a total of 2,043,341,068 Shares (representing approximately 85.53% of the total number of Shares) were voted in person or by proxy on a poll in respect of the ordinary resolution described under paragraph (ii) above. No Shareholders were required to abstain from voting on either the special resolution described under paragraph (i) above, or the ordinary resolution described under paragraph (ii) above at the EGM nor did any person indicate in the Scheme Document that he/she/it intended to abstain from voting on or vote against the said resolutions at the EGM.

Tricor Investor Services Limited acted as the scrutineer for the vote-taking at the EGM.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining those Scheme Shareholders who are qualified for entitlements under the Scheme, the register of members of the Company will be closed from Friday, 28 October 2016 onwards. During such period, no transfer of Shares will be effected.

## **EXPECTED TIMETABLE**

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

Expected last day for dealing in the Shares on the Stock Exchange . . . . .	Monday, 24 October 2016
Latest Option Exercise Date ( <i>Note 1</i> ) . . . . .	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 2*) . . . . . 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 3*) . . . . . Monday, 31 October 2016

Effective Date (*Note 4*) . . . . . 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 5*) . . . . . 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 6*) . . . . . 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 7*) . . . . . 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) 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 as set out in the Scheme Document, 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.
- (2) 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.
- (3) Holders of outstanding Share Option(s) as at the Option Offer Record Date will be entitled to the Option Offer.
- (4) 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 contained in the Scheme Document have been fulfilled or (to the extent permitted) waived (as the case may be).
- (5) 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.
- (6) 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.
- (7) 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.

## GENERAL

As at 24 May 2016 (the Offer Period Commencement Date), the total number of Shares held, controlled or directed by the Offeror and the Offeror Concert Parties were 1,461,824,246 Shares, representing approximately 61.19% of the total number of Shares in issue at that time. As at the date of this announcement, the total number of Shares held, controlled or directed by the Offeror and the Offeror Concert Parties were 1,461,824,246 Shares, representing approximately 61.19% of the total number of Shares in issue. None of the Offeror or the Offeror Concert Parties had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the period of the Offer. As at the date of this announcement, none of the Offeror or Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

## WARNINGS:

**Shareholders and potential investors should be aware that the implementation of the Proposal 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., Limited**  
匹克體育用品有限公司  
**Xu Jingnan**  
*Chairman*

Hong Kong, 19 October 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 Zihua 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.*