

**PEAK SPORT PRODUCTS COMPANY LTD:  
THE FAMILY THAT PLAYS TOGETHER, STAYS TOGETHER**

With a Turnover of about 2.04 billion renminbi in respect of the Financial Year, ended December 31, 2008, on which the company logged in a Net Profit Attributable to Shareholders of about 375.96 million renminbi, Peak Sport Products Company Ltd () (Code: 1968, Main Board, The Stock Exchange of Hongkong Ltd) is, virtually, debtless.

There are not many companies that can claim such a feat.

And this Company is just about 21 years old if one goes all the way back to the time that the Chairman first determined what his future profession was destined to be.

Peak Sport Products is engaged in the business of designing, selling and distributing a fairly wide range of sporting goods, with emphasis on the production and sales of sports footwear and sports apparel.

Under the brand-name of '*Peak*', the Company boasts of having 5,667 authorised Peak retail outlets in the People's Republic of China (PRC).

The Company is the employer of 7,753 workers, of which number, about 82 percent are engaged in the production processes of shoes and apparel.

Peak Sport Products pitched its story in a Global Offering Prospectus, dated September 16, 2009.

The Company made an Offer of 419,580,000 Shares of the Nominal Value of one cent per Share at the price of between \$HK3.55 per Share and \$HK4.55 per Share.

Only 41,958,000 Shares were made available to investors of the Hongkong Special Administrative Region (HKSAR) of the PRC, the remaining 377,622,000 Shares, being reserved for International Investors.

Page 205 of the Global Offering Prospectus states that the Company is looking to garner about \$HK1,561,000,000, at the end of the cash-raising exercise, that amount of money, earmarked for the following purposes:

1. About \$HK754 million to be used for promotional activities of one type or another;
2. About \$HK293 million to be used for the expansion of production facilities in the PRC;
3. About \$HK244 million to be used '*to allow us to offer discounts to distributors as subsidies to encourage expansion of Peak's sales network and as rewards for exceeding sales targets ...*';
4. About \$HK69 million to be used for research and development;
5. About \$HK67 million to be used to upgrade the Company's management information systems; and,
6. About \$HK134 million to be tipped into the Working Capital Account.

It is noted that not a penny of the net proceeds from the **Initial Public Offering (IPO)** will be used to retire the Company's debts which, as at June 30, 2009, stood at about 325.30 million renminbi.

This ... [CLICK TO ORDER FULL ARTICLE](#)

*While **TARGET** makes every attempt to ensure accuracy of all data published, **TARGET** cannot be held responsible for any errors and/or omissions.*

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*