CHINA HONGXING SPORTS LIMITED
(Company Registration Number: 36746)
(Incorporated in Bermuda)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S ANNOUNCEMENT DATED 25 MARCH 2019

Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings as defined in the Company's announcements dated 25 March 2019 in respect of the Proposed Transaction.

The Board of Directors (the "**Board**") of China Hongxing Sports Limited (the "**Company**") refers to the Company's announcement "Proposed Acquisition by the Company of all the issued and paid up share capital in Mining and Minerals Investment Holding Pte Ltd" dated 25 March 2019 (the "**March 2019 Announcement**").

The Board wishes to provide the information below, in response to queries received on 2 April 2019 from the SGX-ST in relation to the March 2019 Announcement as follows:

SGX Query 1:

On 25 March 2019, the Company announced that it has entered into a sale and purchase agreement with Mining and Minerals Industries Holding Pte. Ltd., pursuant to which the Company shall acquire (the "**Proposed Transaction**") all of the issued and paid-up share capital in MMJV Pte. Ltd.

Please disclose who introduced the deal and how much was the introducer fee.

Company's Response:

The Proposed Transaction was introduced to the Company by JC Invest Limited, a company wholly owned by Ms Christina Lye, a businesswoman. The introducer fees are fixed at 2% of the Consideration (capped at a maximum of S$2 million) and payable in new shares of the Company on the completion of the Proposed Transaction.

SGX Query 2:

In relation to the Vendor, Mining and Minerals Industries Holding Pte. Ltd., please disclose the shareholders and directors of the Vendor.

Company's Response:

The following information is provided by the Vendor:

The shareholders of the Vendor are as follows:

(i) Ashok Kumar Agrawal;

(ii) Roy Augustus Ng;

(iii) Sanjay Singh; and

(iv) Anand Subramanian.

The directors of the Vendor are as follows:

(a) Ashok Kumar Agrawal; and

(b) Sanjay Singh.

SGX Query 3:

In relation to the Target Company, MMJV Pte. Ltd., please disclose:

(i) Who are the directors and shareholders of the Target Company; and

(ii) Who will be the directors after Completion.

Company's Response:

The following information is provided by the Vendor:

The current director of the Target Company is Ashok Kumar Agrawal. The Vendor, Mining and Minerals Industries Holding Pte. Ltd. is the sole shareholder of the Target Company.

It is contemplated that Ashok Kumar Agrawal will remain as the director of MMJV Pte. Ltd. after completion of the Sale and Purchase Agreement ("**Completion**").

SGX Query 4:

In relation to the Gold Mine Concessions, please disclose the Company's shareholding percentage in each of the gold mine concession respectively.

Company's Response:

The following information is provided by the Vendor:

After Completion, the Company's shareholding percentage in the Gold Mine Concessions will be as follows:

(i) in relation to the Gold Mine Concession in the provinces of Isabela and Nueva Vizcaya ("**Project 1**"), the Company will own and control 85% while its joint venture partner, KC Development Phils., Inc. ("**KCD**") will own and control 15%.

(ii) in relation to the Gold Mine Concession in the provinces of Misamis Oriental, Philippines ("**Project 2**"), the Company will own 99% of the ordinary voting shares while its joint venture partner, Wolfland Resources, Inc. ("**Wolfland**") will own 1% of the ordinary voting shares. However, under the anti-dilutive terms of the JVA2, Wolfland will be entitled to retain its 1% of the ordinary voting shares.

SGX Query 5:

The Company disclosed that "It is a condition precedent in the Sale and Purchase Agreement that the rights, title and obligations of MMIHPL in and to the respective JV Agreements be novated to the Target Company pursuant to Deed of Novation 1 (as defined below) and Deed of Novation 2 (as defined below)."

Please disclose if there are any agreements with KC Development Phils., Inc. and Wolfland Resources Inc respectively to allow the novation of rights, title and obligations of MMIHPL.

Company's Response:

The following information is provided by the Vendor:

MMIHPL and the Target Company are in the process of finalizing the deeds of novation with the respective joint venture parties, KCD and Wolfland, to transfer all of MMIHPL's rights, title and obligations under the respective JV Agreements to the Target Company.

SGX Query 6:

The Company disclosed that "The Consideration shall be satisfied by way of allotment and issuance of such number of new ordinary shares in the capital of the Company (the "**Consideration Shares**") at an issue price of S$0.00357 per Consideration Share ("**Issue Price**") amounting to the Consideration"

Please disclose the basis for the issue price of $0.00357 per Consideration Share.

Company's Response:

The Issue Price has been agreed based on the following formula:

$$\frac{\text{S\$10 million}}{\text{Existing Company Shares}}$$

where, "**Existing Company Shares**" refers to the number of Shares as at the date of the Sale and Agreement, being 2,800,000,000 Shares.

SGX Query 7:

In relation to MMIHPL, please:

(i) provide the information required in Listing Rule 1015(1)(a)(ii); and

(ii) disclose who the directors and key management of MMIHPL are and the experience that they have.

Company's Response:

The following information is provided by the Vendor:

(i) MMIHPL was incorporated in 2012 for the purposes of exploring mining activities and has been dormant since June 2015 due to the drop in the commodity prices. Save for entering into the two JV Agreements dated 19 December 2018 and 6 March 2019 as set out in the March 2019 Announcement, MMIHPL has had no other business activities since June 2015.

As such, MMIHPL does not have the latest three years of financial information of the assets to be acquired and is unable to provide the pro forma financial information required in Listing Rule 1015(1)(a)(ii).

(ii) The directors and key management of MMIHPL is as follows:

Sanjay Singh	Sanjay Singh, an engineer with a masters degree in International business management, is a high energy sales professional with over 20 years of work experience with global organisations like Intel Corporation, Hewlett Packard, HCL Infosystems and Hindustan Unilever. He also

	possesses industry experience in Sales, Large Account Management, Business Development, Alliances & Channel development and skills in leading high performance teams, managing complex & large businesses, building deep client partnership and working in structured & unstructured cross functional environment.
Anand Subramanian	Anand Subramanian is currently the Head of APAC strategy and M&A at NBC Universal. Prior to this, Anand was the Vice President of Investments at Fullerton Financial Holdings, a wholly-owned subsidiary of Temasek Holdings (Private) Limited, looking after fintech investments in the region. Anand has extensive experience in consulting and investment banking, having spent over a decade in JP Morgan Asia and IDFC. Anand has been an advisor for real estate, infrastructure, metals and mining and consumer companies during his time as a banker across all markets in Asia Pacific.
Ashok Kumar Agrawal	Ashok Agrawal, a serial entrepreneur from Singapore and founder of RPIgroup, has 30 years of business experience in various fields. RPIgroup is involved in businesses covering technology, trading in computer, electronics, metal and commodities with offices in Singapore, Hong Kong, China, USA, France and India. Passionate about technology, he is also technology partner and investor in many Tech startups. Ashok graduated from USA and holds a Master's Degree in Electronics Engineering.

By Order of the Board
CHINA HONGXING SPORTS LIMITED

Alfred Cheong
Independent Director
4 April 2019