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

Full Year Financial Statement And Related Announcement for Year Ended 31 December 2015

CAUTIONARY NOTE:

The financial results disclosed in this announcement include financial information provided by the Company's subsidiaries in the People's Republic of China ("PRC"), namely Fujian Hongxing Erke Sports Goods Co., Ltd ("Hongxing Erke") and Quanzhou Hongrong Light Industry Co., Ltd. ("Hongrong Light Industry") (collectively Hongxing Erke and Hongrong Light Industry are hereinafter referred as "PRC Key Subsidiaries") as well as Xiamen Hongxing Erke Apparel Co., Ltd. ("Hongxing Apparel").

The Company wishes to highlight that as disclosed in the Company's announcement entitled "Appointment of Special Accountant" and "Request for Suspension of Trading in Shares" released on 25 February 2011, the Company and its external auditors, Ernst & Young LLP ("EY"), encountered certain difficulties in respect of the finalization of the audit of the Company's consolidated financial statements for the financial year ended 31 December 2010 ("FY2010"), particularly with reference to cash and bank balances, accounts receivable, accounts payable and other expenses of the Company's PRC Key Subsidiaries.

The Company also wishes to highlight that the financial results disclosed in this announcement are subject to the background and limitations relating to the preparation of the Company's consolidated statements of financial position as at 31 December 2015 and as at 31 December 2014 and the consolidated statements of comprehensive income for the year ended 31 December 2015 ("FY2015") and the year ended 31 December 2014 ("FY2014") as set out below ("Limitations"):

a) **On 1 March 2011, the Company appointed nTan Corporate Advisory Pte Ltd as Special Auditor, to carry out an independent investigation into the matters raised in the Company's announcement entitled "Appointment of Special Accountant" and "Request for Suspension of Trading in Shares" released on 25 February 2011 ("Independent Investigation").**

b) **The Special Auditor completed the Independent Investigation and submitted their report on the Independent Investigation ("Report") to the Audit Committee and the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 July 2012. The Audit Committee will determine, in consultation with the Company's lawyers, auditors and other professionals, the appropriate actions to be taken.**

c) **On 27 February 2012, the Company announced that it had submitted its trading resumption proposal pursuant to Rule 1304(1) of the Listing Manual. On 12 April 2012, the Company announced that SGX-ST had granted the Company an extension of time until 28 June 2012 to submit a fuller trading resumption proposal. On 20 July 2012, the Company announced that the SGX-ST had granted the Company an extension of time until 25 July 2012 to submit the aforementioned fuller trading resumption proposal.**

d) **On 25 July 2012, the Company announced that the Company had submitted the fuller trading resumption proposal to SGX-ST. On 25 September 2012, the Company announced that SGX-ST had responded to the Company's trading resumption proposal and commented on matters that require further consideration by the Company and also the additional steps that must be undertaken by the Company to formulate a trading resumption proposal.**

e) **The Company has since undertaken and implemented various steps to re-submit its trading resumption proposal, taking into account SGX-ST's comments to the Company. On 28 May 2013, the Company re-submitted its trading resumption proposal to SGX-ST.**

f) **In connection with the abovementioned trading resumption proposal, the Company has appointed PricewaterhouseCoopers LLP as Independent Reporting Accountant ("Independent Reporting Accountant") to perform an audit of the Company's consolidated statement of financial position and the consolidated statement of comprehensive income for FY2010 and FY2011 and to review the year-to-date financial results for the first 6 months ended 30 June 2012 ("H1FY2012"). The Independent Reporting Accountant have completed their audit of the financial results for FY2010 and FY2011 and their review of the financial results for H1FY2012.**

g) The Board refers to the Company's announcements released on 29 August 2014, 2 October 2014, 31 October 2014, 1 December 2014, 31 December 2014, 31 January 2015, 4 March 2015, 7 April 2015, 7 May 2015, 2 June 2015, 30 June 2015, 31 July 2015, 31 August 2015, 30 September 2015, 30 October 2015, 30 November 2015, 30 December 2015 and 29 January 2016.

It was announced previously that the Company was not in a position to and will not be proceeding with the Company's trading resumption proposal and that the Board was undertaking all strategic options available to the Company.

It was announced previously on 31 December 2014 that a potential offer in relation to the possible delisting of the Company from the SGX-ST ("Potential Offer") was being considered by a potential offeror and that professional parties have been appointed to carry out work in relation to the Potential Offer.

The Company had on 29 January 2016 announced that there has been no update in relation to the Potential Offer.

h) The financial results disclosed in this announcement have not been reviewed or audited by the Independent Reporting Accountant or the Company's external auditors. As such, the Company would like to remind Shareholders that the financial results disclosed in this announcement may be subject to further adjustments and revisions after the audit by the Company's external auditors.

The board of directors of the Company cautions that the financial results disclosed in this announcement are unaudited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1 (a)(i) UNAUDITED INCOME STATEMENT FOR YEAR ENDED 31 DECEMBER

Group (RMB'000)	**12 months ended**		**Change**
	31 Dec 2015	**31 Dec 2014**	**%**
Revenue	1,283,737	2,204,633	(41.8)
Cost of goods sold	(1,027,351)	(1,872,132)	(45.1)
Gross profit	256,386	332,501	(22.9)
Other income	5,841	4,086	43.0
Selling and distribution expenses	(526,649)	(615,016)	(14.4)
Administrative expenses	(147,828)	(163,223)	(9.4)
Loss from operations	(412,250)	(441,652)	(6.7)
Finance costs	(136)	(119)	14.3
Loss before tax	(412,386)	(441,771)	(6.7)
Income tax expense	(6,054)	(15,964)	(62.1)
Loss attributable to shareholders	(418,440)	(457,735)	(8.6)

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER

Group (RMB'000)	12 months ended 31 Dec 2015	31 Dec 2014	Change %
Loss attributable to shareholders	(418,440)	(457,735)	(8.6)
Other comprehensive income - exchange differences on translating foreign operations	-	-	N/A
Total comprehensive income for the period	(418,440)	(457,735)	(8.6)

Note:

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (the "IFRS").

1(a)(ii) Other information:

Group (RMB'000)	12 months ended 31 Dec 2015	31 Dec 2014	Change %
Loss before tax is arrived at after charging/(crediting) the following:			
Sundry income	(3,242)	(3,691)	(12.2)
Interest income	(2,599)	(395)	558.0
	(5,841)	(4,086)	43.0
Refurbishment expenses	85,834	210,252	(59.2)
Depreciation and amortisation			
- cost of goods sold	51,639	53,312	(3.1)
- selling and distribution expenses	6,027	6,153	(2.0)
- administrative expenses	10,114	10,479	(3.5)
	67,780	69,944	(3.1)
Research and development costs	61,037	65,348	(6.6)
Net loss on property, plant and equipment due to fire (Note)	7,635	-	N/A
Net loss on inventories due to fire (Note)	8,054	-	N/A

Note: A fire occurred on 14 June 2015 night at Hongrong Light Industry Plant. Investigation revealed that the fire was probably due to electric short circuit of air conditioner system. There were no casualties. The fire caused damage to two plant buildings and production machinery amounting to RMB76.3 million, and loss of inventory materials amounting to RMB80.5 million. Insurance claim of RMB141.1 million was received in 3Q2015 and the net loss on property, plant and equipment of RMB7.6 million and the net loss on inventories of RMB8.1 million were recognised in administrative expenses.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(RMB'000)	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
NON-CURRENT ASSETS				
Property, plant and equipment	503,517	578,222	-	-
Land use rights	24,779	25,657	-	-
Deferred tax assets	15,952	15,952	-	-
Investments in subsidiaries	-	-	249,298	249,298
	544,248	619,831	249,298	249,298
CURRENT ASSETS				
Inventories, at cost	412,618	460,249	-	-
Trade receivables	384,412	888,790	-	-
Land use rights – current portion	878	878	-	-
Prepayments, deposits and other receivables	12,468	6,560	-	-
Due from a subsidiary	-	-	3,008,672	3,008,672
Bank and cash balances	156,890	29,596	60	60
	967,266	1,386,073	3,008,732	3,008,732
Total assets	1,511,514	2,005,904	3,258,030	3,258,030
EQUITY				
Issued capital	56,595	56,595	56,595	56,595
Share premium	2,978,708	2,978,708	2,978,708	2,978,708
Statutory reserve	125,518	125,518	-	-
Foreign currency translation reserve	(27,822)	(27,822)	43,125	43,125
Contributed surplus	31,494	31,494	31,494	31,494
Revaluation reserve	21,554	21,554	-	-
(Accumulated loss)/retained profits	(2,486,423)	(2,067,983)	82,458	82,458
	699,624	1,118,064	3,192,380	3,192,380
LIABILITIES				
Current liabilities				
Trade payables	578,338	654,260	-	-
Accruals and other payables	166,420	156,964	32,777	32,777
Amount due to executive director	32,873	32,873	32,873	32,873
Current tax liabilities	33,348	42,832	-	-
	810,979	886,929	65,650	65,650
NON-CURRENT LIABILITIES				
Deferred tax liabilities	911	911	-	-
Total liabilities	811,890	887,840	65,650	65,650
Total equity and liabilities	1,511,514	2,005,904	3,258,030	3,258,030

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 31 Dec 2015		As at 31 Dec 2014	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Interest-bearing loans	-	-	-	-

The Group does not have any outstanding borrowings and debt securities as at 31 December 2015 and as at 31 December 2014.

Details of any collateral

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(RMB'000)	Group 12 months 31/12/15	12 months 31/12/14
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(412,386)	(441,771)
Adjustments for:		
Depreciation and amortisation	67,780	69,944
Net loss on property, plant and equipment due to fire	7,635	-
Net loss on inventories due to fire	8,054	-
Interest expense	136	119
Interest income	(2,599)	(395)
Operating loss before working capital changes	(331,380)	(372,103)
(Increase)/decrease in inventories	(32,908)	30,691
Decrease in trade receivables	504,378	134,680
Decrease in prepayments, deposits and other receivables	135,291	1,653
(Decrease)/increase in trade payables	(75,922)	80,712
Increase in accruals and other payables	9,456	4,979
Increase in amount due to executive director	-	3,380
Cash generated from/(used in) operations	208,915	(116,008)
Income tax paid	(15,538)	(14,575)
Interest paid	(136)	(119)
Net cash generated from/(used in) operating activities	193,241	(130,702)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(68,546)	(6,311)
Interest received	2,599	395
Net cash used in investing activities	(65,947)	(5,916)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	127,294	(136,618)
Effect of foreign exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	29,596	166,214
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	156,890	29,596
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	156,890	29,596
Less: Fixed bank deposits over three months	-	-
Cash and cash equivalents	156,890	29,596

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii)changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED STATEMENTS OF CHANGES IN EQUITY – ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(RMB'000)	Issued Capital	Share Premium	Statutory Reserve	Foreign currency translation Reserve	Contributed Surplus	Revaluation Reserve	Retained Profits	Total
Group – Current Period								
Balance as at 1/1/2015	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,067,983)	1,118,064
Total comprehensive income for the financial period	-	-	-	-	-	-	(418,440)	(418,440)
Balance as at 31/12/2015	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,486,423)	699,624
Group – Previous Period								
Balance as at 1/1/2014	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,610,248)	1,575,799
Total comprehensive income for the financial year	-	-	-	-	-	-	(457,735)	(457,735)
Balance as at 31/12/2014	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,067,983)	1,118,064
Company – Current Period								
Balance as at 1/1/2015	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380
Total comprehensive income for the financial period	-	-	-	-	-	-	-	-
Balance as at 31/12/2015	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380
Company – Previous Period								
Balance as at 1/1/2014	56,595	2,978,708	-	43,125	31,494	-	86,093	3,196,015
Total comprehensive income for the financial year	-	-	-	-	-	-	(3,635)	(3,635)
Balance as at 31/12/2014	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no options granted and issue of shares pursuant to the Employee's share option scheme.
There were no shares that may be issued on conversion of all the outstanding convertibles.
There were no treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2015 and 31 December 2014, the share capital of the Company comprised 2,800,000,000 ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed. Please also refer to the Cautionary Note above.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2010 ("FY2010").

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the applicable new/revised IFRS that are mandatory for annual period beginning on 1 January 2015. For the current reporting period ended 31 December 2015, the adoption of the applicable new/revised IFRS did not result in material changes to the Group's results.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	12 months ended 31/12/15	12 months ended 31/12/14
Loss per share – basic (RMB cents)	(14.94) [(1)]	(16.35)[(1)]

Notes:

(1) Loss per ordinary share for 12 months ended 31 December 2015 and 31 December 2014 were calculated based on unaudited loss attributable to shareholders divided by weighted average number of 2,800,000,000 ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group	**Group**	**Company**	**Company**
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
Based on the issued capital at the end of the financial period/year (RMB cents)	24.99	39.93	114.01	114.01
Number of ordinary shares of HK$0.02 each in issue as at the end of the financial period/year in calculating net asset value	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Review of the Group's Performance for FY2015 as compared to the Group's Performance for FY2014

Revenue

Revenue decreased by RMB920.9 million or 41.8% from RMB2,204.6 million in FY2014 to RMB1,283.7 million in FY2015. Due to slow down of China economy, the distributors were closing the low contribution outlets, thus reducing orders to the Group. Also the fire in June 2015 caused damage to the plant and about 35% of the Group production capacity is affected.

The size of retail network was 5,248 ERKE Points of Sale ("**ERKE POS**") as at 31 December 2015 (31 December 2014: 6,526).

Revenue by product segments

	FY2015		FY2014		Revenue growth
	RMB'000	% of revenue	RMB'000	% of revenue	%
Footwear	864,221	67.3	1,369,327	62.1	(36.9)
Apparel	403,089	31.4	824,902	37.4	(51.1)
Accessories	16,427	1.3	10,404	0.5	57.9
Total	1,283,737	100.0	2,204,633	100.0	(41.8)

Revenue from sports footwear decreased by RMB505.1 million or 36.9% from RMB1,369.3 million in FY2014 to RMB864.2 million in FY2015 mainly due to decreased order volumes by distributors.

Revenue from sports apparel decreased by RMB421.8 million or 51.1% from RMB824.9 million in FY2014 to RMB403.1 million in FY2015 mainly due to decreased order volumes by distributors.

Revenue from sports accessories increased by RMB6.0 million or 57.7% from RMB10.4 million in FY2014 to RMB16.4 million in FY2015 due to increased order volumes of a variety of bags, hats and socks by distributors.

Cost of goods sold and gross profit margin

Cost of goods sold decreased by RMB844.7 million or 45.1% from RMB1,872.1 million in FY2014 to RMB1,027.4 million in FY2015. This was in line with the decrease in revenue.

Gross profit decreased by RMB76.1 million or 22.9% from RMB332.5 million in FY2014 to RMB256.4 million in FY2015. Gross profit margin increased from 15.1% in FY2014 to 20.0% in FY2015. Gross profit in FY2015 decreased as compared to FY2014 due to lower revenue as a result of drop in order volumes by distributors.

Operating expenses (Selling and distribution expenses and administrative expenses)

Operating expenses decreased by RMB103.8 million or 13.3% from RMB778.2 million in FY2014 to RMB674.4 million in FY2015. As a percentage of revenue, operating expenses has increased from 35.3% in FY2014 to 52.5% in FY2015.

Selling and distribution expenses decreased by RMB88.4 million or 14.4% from RMB615.0 million in FY2014 to RMB526.6 million in FY2015. The major item contributing to the decrease was the advertising expenses which decreased from RMB313.7 million in FY2014 to RMB304.7 million in FY2015, and the refurbishment expenses which decreased from RMB210.3 million in FY2014 to RMB85.8 million in FY2015.

Advertising expenses include trade fairs, promotion campaigns, sponsorship activities, advertising on television, advertising on internet, advertising on print media such as billboards, sports magazines and newspapers,

Administrative expenses decreased by RMB15.4 million or 9.4% from RMB163.2 million in FY2014 to RMB147.8 million in FY2015. The administrative expenses in FY2015 included the net loss on property, plant and equipment due to fire of RMB7.6 million and the net loss on inventories due to fire of RMB8.1 million. The Group has continued to exercise tight control over administrative expenses.

The major item of administrative expenses was research and development costs which decreased by RMB4.3 million or 6.6% from RMB65.3 million in FY2014 to RMB61.0 million in FY2015 due to the lower staff costs and the costs of the materials used for R&D.

Income tax expense

The tax charge represents applicable PRC enterprise income tax provided for the period.

The applicable corporate income tax rate for the subsidiaries of the Group in the PRC is 25%.

Deferred tax assets represented temporary differences arising from advertising fees.

Profit attributable to shareholders

The Group recorded a loss before tax of some RMB412.4 million in FY2015 as compared to a loss before tax of some RMB441.8 million in FY2014 and a net loss attributable to shareholders of some RMB418.4 million in FY2015 as compared to a net loss attributable to shareholders of some RMB457.7 million in FY2014.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's Financial Position as at 31 December 2015 as compared to the Group's Financial Position as at 31 December 2014

Bank and cash balances of the Group increased from RMB29.6 million as at 31 December 2014 to RMB156.9 million as at 31 December 2015.

The Group recorded a net cash inflow from operating activities of some RMB193.2 million for the year ended 31 December 2015. This was mainly due to the loss before tax of some RMB412.4 million and a net decrease in trade payables of some RMB75.9 million which were offset by the net decrease in trade receivables of some RMB504.4 million.

Carrying amount of PPE decreased by RMB74.7 million or 12.9% from RMB578.2 million as at 31 December 2014 to RMB503.5 million as at 31 December 2015. This was mainly due to the fire in June 2015 which led to the loss of property, plant and equipment of RMB76.3 million and depreciation amounting to some RMB66.9 million in the year ended 31 December 2015 as offset by the acquisition of production machinery and office equipment of some RMB68.5 million in the year ended 31 December 2015.

Land use rights, including its current portion classified under current assets which will be amortised over the next 12 months, decreased by RMB0.9 million due mainly to amortisation charge for the period.

Deferred tax assets represented temporary differences arising from advertising fees.

Inventories decreased by some RMB47.6 million or 10.3% from RMB460.2 million as at 31 December 2014 to RMB412.6 million as at 31 December 2015.

Trade receivables decreased by some RMB504.4 million or 56.8% from RMB888.8 million as at 31 December 2014 to RMB384.4 million as at 31 December 2015. This was in line with the drop in sales.

Trade payables decreased by RMB76.0 million or 11.6% from RMB654.3 million as at 31 December 2014 to RMB578.3 million as at 31 December 2015 due to decreased orders and settlement of outstanding trade debts in the year ended 31 December 2015.

Accruals and other payables increased by RMB9.5 million or 6.1% from RMB156.9 million as at 31 December 2014 to RMB166.4 million as at 31 December 2015.

The "Amount due to executive director" relates to payments made by an executive director, Mr Wu Rongguang, on behalf of the Company to professionals in connection to the Independent Investigation and the Company's trading resumption. No repayments were made to Mr Wu Rongguang in the year ended 31 December 2015. This was to avoid straining the Group's cash flow and available working capital for operations.

Deferred tax liabilities represented temporary differences arising from revaluation of property, plant and equipment.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no variation between the prospect statement made in paragraph 10 of the Company's 3Q2015 Results and its actual 4Q2015 Results.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In view of the downturn of the China economy, the Group expects that it will continue to face challenges as market conditions are expected to remain highly competitive in the next 12 months. As a result, the Group has concerns over the reduced spending on discretionary purchases.

The Group will continue to exercise stringent control on its expenditure items.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend had been declared or recommended for the year ended 31 December 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders for the year ended 31 December 2015.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2 & Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group is principally engaged in design, manufacture and sales of sports shoes, sports apparel and sports accessories in the PRC and all of its distributors are based in the PRC. In addition, all identifiable assets of the Group are principally located in the PRC. Accordingly, no segmental analysis is presented.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above.

16. Breakdown of sales.

(RMB'000)	FY2015	FY2014	Change %
Sales reported for the first half year	616,914	852,484	(27.6)
Loss after taxation for the first half year	(215,133)	(130,110)	(65.3)
Sales reported for the second half year	666,823	1,352,149	(50.7)
Loss after taxation for the second half year	(203,307)	(327,625)	(37.9)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Nil.

18. Disclosure of person occupying a managerial position in the issue or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wu Rongguang	41	Son of Wu Hanjie, substantial shareholder. Brother of Denis Wu, substantial shareholder.	Executive Director: 28 April 2005 Group Chairman: 5 May 2007	NA

BY ORDER OF THE BOARD

Charles Chan
Independent Director
29 February 2016