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

UPDATE ON THE EXTENSION OF TIME TO MEET THE REQUIREMENTS FOR A NEW LISTING UNDER RULE 1018(2) OF THE LISTING RULES OF THE SGX-ST

NOTIFICATION OF DELISTING

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*Capitalised terms not defined herein shall bear the same meaning ascribed to them in the Company's announcements dated 5 June 2018, 31 July 2018, 5 August 2018, 15 October 2018, 12 February 2019, 9 April 2019, 24 July 2019, 31 October 2019 and 11 May 2020 (the "**Previous Announcements**") in respect of the Proposed Transaction.*

The Board of Directors (the "**Board**") of China Hongxing Sports Limited (the "**Company**") refers to the Previous Announcements.

Further to the Company's announcement dated 11 May 2020, the Company had on 10 June 2020 written to SGX-ST to explain the reasons for the delays in fulfilling the Further Waiver Conditions and appeal to the SGX-ST to reconsider and withdraw the delisting notice (the "**Appeal**"). The exceptional reasons which delayed the meeting of the Further Waiver Conditions are as follows:

(i) The outbreak of the COVID-19 pandemic caused severe disruptions to the Company trying to meet the conditions stated in the extension of time ("**EOT**") granted by the SGX-ST to the Company previously on 6 November 2019. After the EOT was granted, work to complete and meet the conditions stated in the EOT had been well underway, but the outbreak had by then not only affected Singapore but also the Mankayan district of the Benguet province in the Philippines where the copper-gold mining concession (the "**Mankayan Concession**") is located.

(ii) The Target Company is also seeking to capital raise in order to secure sufficient funding to finance the Proposed Transaction and for its operations. The Target Company had successfully raised certain funds and was working to secure additional commitments from identified investors by November 2019. These investors had already been lined up at the beginning of this year to evaluate and invest into the exploration assets and jurisdiction. In this connection, with the lockdown in Philippines and Singapore, the potential investors have not been able to complete their site visits and due diligence process. Scheduled road shows for investors was also postponed due to the lockdown.

(iii) Exploration Work Programme: The committed exploration work programme as agreed with the Mining and Geo Sciences Bureau Philippines ("**MGB**") had to be pushed back due to the lockdown. This work programme, spanning a period of two years, is a pre-requisite for the renewal of the upcoming mineral processing and sharing agreement ("**MPSA**") for Mankayan Concession. Due to the delay a request for an extension to the work programme was applied to the MGB. As the MGB and Department of Energy and Natural Resources of Philippines were also not working or only with very skeleton staff, this too added to the delays. In this regard, the Company understands that Target Company has done all that it can to engage the relevant authorities to expedite the approval process.

(iv) In light of the abovementioned disruptions, postponements and challenging economic conditions caused by the ongoing unprecedented pandemic, the Company appealed for understanding and flexibility in applying the SGX rules. If more time is given to complete the Proposed Transaction, shareholders' interest can be protected.

The Company has received a letter dated 6 July 2020 from the SGX-ST (the "**Delisting Notification**") in response to the Company's Appeal dated 10 June 2020, stating, *inter alia*, that:

(a) On 25 May 2018, the Company became a cash company pursuant to Listing Rule 1018(1) of the Listing Manual, following the completion of the disposal of its entire share capital of Profitstart Group Limited and made the cash distribution to shareholders from the proceeds of the disposal. Listing Rule 1018(2) states, *inter alia*, that the Exchange will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Exchange may thus remove the Company from the Official List if it is unable to meet the requirements for a new listing by 24 May 2019.

(b) On 30 May 2019, the Company was granted an extension of six months to 25 November 2019 to complete the Proposed Transaction. On 31 May 2019, Company announced the Waiver and disclosed that it intends to submit the pre-admission notification to SGX-ST by 25 September 2019, hold the EGM on or about 21 November 2019 to obtain Shareholders' approval for the Proposed Transaction and complete the Proposed Transaction on or about 25 November 2019. The waiver was conditional upon the Company meeting these milestones.

(c) On 2 October 2019, the Company announced that it had applied to the SGX Regco on 24 September 2019 for a further six-month extension to submit the pre-admission notification to SGX-ST. In the Company's application, it was noted the Proposed Transaction was dependent on, inter alia, the completion of a fundraising exercise by 30 November 2019 to fund the due diligence of the Proposed Transaction and the satisfactory completion of legal, financial and commercial due diligence by 14 December 2019.

(d) On 6 November 2019, the Company was granted a further extension of more than six months to 15 June 2020, to complete the Proposed Transaction. The Company was informed that the grant of extension of time to 15 June 2020 ("**6 November 2019 Extension**") would be the final extension of time. The Company disclosed in its Announcement dated 7 November 2019 that (i) it intends to submit a pre-consultation letter to the SGX-ST no later than 31 December 2019; (ii) the reporting accountant to complete the review of the necessary financial statements of MMJV Pte. Ltd and its subsidiaries for all relevant financial periods, no later than 31 January 2020; (iii) the pre-admission notification to the SGX-ST in respect of the RTO be submitted to the SGX-ST no later than 24 March 2020. The Company stated that it intends to complete the Proposed Transaction no later than 15 June 2020 (collectively the "**Milestones**"), subject to shareholders' approval. The 6 November 2019 Extension was subject to the Company meeting all the Milestones, *inter alia*, to submit the pre-consultation letter to SGX-ST by 31 December 2019.

(e) Although the Company was required to submit a pre-consultation letter to SGX by 31 December 2019, SGX-ST noted that the Company had not even completed its fundraising exercise by 30 November 2019 to enable the Company to undertake due diligence on its mining assets in the Philippines. SGX-ST further noted that the Company failed to meet the 31 December 2019 timeline of its final extension, a period prior to the COVID-19 lockdown/circuit breakers in the Philippines and Singapore.

(f) On 25 March 2020, the Company announced that it failed to meet its second milestone to complete the review of the Target Group's accounts by no later than 31 January 2020 and also failed to meet its third milestone to submit the pre-admission notification to SGX-ST by no later than 24 March 2020.

(g) On 11 May 2020, the Company announced that it "has failed to meet the Further Waiver Conditions and no further extension will be granted and that the Company should apply for the delisting of the Company".

(h) The SGX-ST noted that, to-date, the lack of information on the financials and viability of the mining assets to demonstrate that the Proposed Transaction meets the requirements for a new listing. None of the milestones committed to by the Company which formed the basis for SGX Regco's extension has been fulfilled.

(i) Having carefully considered the above and the Company's submissions, the SGX-ST informed the Company that the Exchange is unable to grant any further extension of time for the Company to satisfy the requirements for a new listing under Listing Rule 1018(2) and accordingly, the Exchange will direct the Company to be delisted (the "**Delisting**").

(j) Pursuant to Rule 1018(2), the Company or its controlling shareholder(s) must comply with Rule 1309 which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to shareholders (the "**Exit Offer Proposal**") and the Company is to advise the SGX-ST of the Exit Offer Proposal no later than one month from the date of the Delisting Notification and provide updates via SGXNET on the status of the Company's Exit Offer Proposal.

The Company will keep shareholders updated on any developments in this regard and will make such further announcements via SGXNET as and when appropriate.

The Company would like to inform investors and shareholders of the Company to exercise caution when dealing in its shares, and if in doubt, they should consult their financial or other professional advisor(s).

BY ORDER OF THE BOARD
CHINA HONGXING SPORTS LIMITED

Alfred Cheong
Independent Director
7 July 2020