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

Full Year Financial Statement And Related Announcement for Year Ended 31 December 2016

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 2016 and as at 31 December 2015 and the consolidated statements of comprehensive income for the year ended 31 December 2016 ("FY2016") and the year ended 31 December 2015 ("FY2015") 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 since 29 August 2014.

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 1 March 2017 announced that there has been no update in relation to the Potential Offer. The Board cautions that there is no certainty that the Potential Offer will materialize.

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 2016	**31 Dec 2015**	**%**
Revenue	1,228,951	1,283,737	(4.3)
Cost of goods sold	(930,328)	(1,027,351)	(9.4)
Gross profit	298,623	256,386	16.5
Other income	4,918	5,841	(15.8)
Selling and distribution expenses	(368,964)	(526,649)	(29.9)
Administrative expenses	(106,236)	(147,828)	(28.1)
Other loss	(37,000)	-	N/A
Loss from operations	(208,659)	(412,250)	(49.4)
Finance costs	(183)	(136)	34.6
Loss before tax	(208,842)	(412,386)	(49.4)
Income tax expense	(15,508)	(6,054)	156.2
Loss attributable to shareholders	(224,350)	(418,440)	(46.4)

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER

Group (RMB'000)	**12 months ended** 31 Dec 2016	31 Dec 2015	**Change** %
Loss attributable to shareholders	(224,350)	(418,440)	(46.4)
Other comprehensive income - exchange differences on translating foreign operations	-	-	N/A
Total comprehensive income for the period	(224,350)	(418,440)	(46.4)

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 2016	31 Dec 2015	**Change** %
Loss before tax is arrived at after charging/(crediting) the following:			
Sundry income	(4,278)	(3,242)	32.0
Interest income	(640)	(2,599)	(75.4)
	(4,918)	(5,841)	(15.8)
Refurbishment expenses	40,815	85,834	(52.5)
Depreciation and amortisation			
- cost of goods sold	48,192	51,639	(6.7)
- selling and distribution expenses	5,012	6,027	(16.8)
- administrative expenses	9,800	10,114	(3.1)
	63,004	67,780	(7.1)
Research and development costs	39,419	61,037	(35.4)
Trade receivables written off (Note)	37,000	-	N/A
Net loss on property, plant and equipment due to fire	-	7,635	(100.0)
Net loss on inventories due to fire	-	8,054	(100.0)

Note: Management has carried out a review of the trade receivables in 3Q2016 and wrote off an amount of Rmb37 million being uncollectible amounts aged over 6 months.

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 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
NON-CURRENT ASSETS				
Property, plant and equipment	473,122	503,517	-	-
Land use rights	23,903	24,779	-	-
Deferred tax assets	15,952	15,952	-	-
Investments in subsidiaries	-	-	249,298	249,298
	512,977	544,248	249,298	249,298
CURRENT ASSETS				
Inventories, at cost	355,130	412,618	-	-
Trade receivables	275,167	384,412	-	-
Land use rights – current portion	878	878	-	-
Prepayments, deposits and other receivables	6,012	12,468	-	-
Due from a subsidiary	-	-	3,008,672	3,008,672
Bank and cash balances	89,670	156,890	60	60
	726,857	967,266	3,008,732	3,008,732
Total assets	1,239,834	1,511,514	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	(2,710,773)	(2,486,423)	82,458	82,458
	475,274	699,624	3,192,380	3,192,380
LIABILITIES				
Current liabilities				
Trade payables	490,719	578,338	-	-
Accruals and other payables	171,820	166,420	2,777	32,777
Amount due to shareholders	62,873	-	62,873	-
Amount due to executive director	-	32,873	-	32,873
Current tax liabilities	38,237	33,348	-	-
	763,649	810,979	65,650	65,650
NON-CURRENT LIABILITIES				
Deferred tax liabilities	911	911	-	-
Total liabilities	764,560	811,890	65,650	65,650
Total equity and liabilities	1,239,834	1,511,514	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 2016		As at 31 Dec 2015	
	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 2016 and as at 31 December 2015.

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 31/12/16	12 months 31/12/15
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(208,842)	(412,386)
Adjustments for:		
Depreciation and amortisation	63,004	67,780
Net loss on property, plant and equipment due to fire	-	7,635
Net loss on inventories due to fire	-	8,054
Interest expense	183	136
Interest income	(640)	(2,599)
Operating loss before working capital changes	(146,295)	(331,380)
Decrease/(increase) in inventories	57,488	(32,908)
Decrease in trade receivables	109,245	504,378
Decrease in prepayments, deposits and other receivables	6,456	135,291
Decrease in trade payables	(87,619)	(75,922)
Increase in accruals and other payables	35,400	9,456
Cash (used in)/generated from operations	(25,325)	208,915
Income tax paid	(10,619)	(15,538)
Interest paid	(183)	(136)
Net cash (used in)/generated from operating activities	(36,127)	193,241
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(31,733)	(68,546)
Interest received	640	2,599
Net cash used in investing activities	(31,093)	(65,947)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(67,220)	127,294
Effect of foreign exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	156,890	29,596
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	89,670	156,890
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	89,670	156,890
Less: Fixed bank deposits over three months	-	-
Cash and cash equivalents	89,670	156,890

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 1/1/2016	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,486,423)	699,624
Total comprehensive income for the financial period	-	-	-	-	-	-	(224,350)	(224,350)
Balance as at 31/12/2016	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,710,773)	475,274
Group – Previous 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
Company – Current Period								
Balance as at 1/1/2016	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380
Total comprehensive income for the financial period	-	-	-	-	-	-	-	-
Balance as at 31/12/2016	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380
Company – Previous 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

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 2016 and 31 December 2015, 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 2016. For the current reporting period ended 31 December 2016, 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 31/12/16	12 months ended 31/12/15
Loss per share – basic (RMB cents)	(8.01) (1)	(14.94) (1)

Notes:

(1) Loss per ordinary share for 12 months ended 31 December 2016 and 31 December 2015 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**
	31/12/16	**31/12/15**	**31/12/16**	**31/12/15**
Based on the issued capital at the end of the financial period/year (RMB cents)	16.97	24.99	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 FY2016 as compared to the Group's Performance for FY2015

Revenue

Revenue decreased by RMB54.7 million or 4.3% from RMB1,283.7 million in FY2015 to RMB1,229.0 million in FY2016. Due to slow down of China economy, the distributors were closing the low contribution outlets, thus reducing orders to the Group.

The size of retail network was 4,592 ERKE Points of Sale ("**ERKE POS**") as at 31 December 2016 (31 December 2015: 5,248).

Revenue by product segments

	FY2016		FY2015		Revenue growth
	RMB'000	% of revenue	RMB'000	% of revenue	%
Footwear	757,112	61.6	864,221	67.3	(12.4)
Apparel	455,916	37.1	403,089	31.4	13.1
Accessories	15,923	1.3	16,427	1.3	(3.1)
Total	1,228,951	100.0	1,283,737	100.0	(4.3)

Revenue from sports footwear decreased by RMB107.1 million or 12.4% from RMB864.2 million in FY2015 to RMB757.1 million in FY2016 mainly due to decreased order volumes by distributors.

Revenue from sports apparel increased by RMB52.8 million or 13.1% from RMB403.1 million in FY2015 to RMB455.9 million in FY2016 mainly due to increased order volumes by distributors.

Revenue from sports accessories decreased by RMB0.5 million or 3.1% from RMB16.4 million in FY2015 to RMB15.9 million in FY2016 due to decreased 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 RMB97.1 million or 9.5% from RMB1,027.4 million in FY2015 to RMB930.3 million in FY2016. This was in line with the decrease in revenue.

Gross profit increased by RMB42.2 million or 16.5% from RMB256.4 million in FY2015 to RMB298.6 million in FY2016. Gross profit margin increased from 20.0% in FY2015 to 24.3% in FY2016. Gross profit in FY2016 increased as compared to FY2015 due to more apparel sold with higher margin.

Operating expenses (Selling and distribution expenses and administrative expenses)

Operating expenses decreased by RMB199.2 million or 29.5% from RMB674.4 million in FY2015 to RMB475.2 million in FY2016. As a percentage of revenue, operating expenses has decreased from 52.5% in FY2015 to 38.7% in FY2016.

Selling and distribution expenses decreased by RMB157.6 million or 29.9% from RMB526.6 million in FY2015 to RMB369.0 million in FY2016. The major item contributing to the decrease was the advertising expenses which decreased from RMB304.7 million in FY2015 to RMB210.6 million in FY2016, and the refurbishment expenses which decreased from RMB85.8 million in FY2015 to RMB40.8 million in FY2016.

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 RMB41.6 million or 28.2% from RMB147.8 million in FY2015 to RMB106.2 million in FY2016. 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 RMB21.6 million or 35.4% from RMB61.0 million in FY2015 to RMB39.4 million in FY2016 due to the lower staff costs and the costs of the materials used for R&D.

Other loss represented trade receivables written off. Management has carried out a review of the trade receivables in 3Q2016 and wrote off an amount of Rmb37.0 million being uncollectible amounts aged over 6 months.

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 RMB208.8 million in FY2016 as compared to a loss before tax of some RMB412.4 million in FY2015 and a net loss attributable to shareholders of some RMB224.4 million in FY2016 as compared to a net loss attributable to shareholders of some RMB418.4 million in FY2015.

(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 2016 as compared to the Group's Financial Position as at 31 December 2015

Bank and cash balances of the Group decreased from RMB156.9 million as at 31 December 2015 to RMB89.7 million as at 31 December 2016.

The Group recorded a net cash outflow from operating activities of some RMB36.1 million for the year ended 31 December 2016. This was mainly due to the loss before tax of some RMB208.8 million and a net decrease in trade payables of some RMB87.6 million which were offset by the net decrease in trade receivables of some RMB109.2 million.

Carrying amount of PPE decreased by RMB30.4 million or 6.0% from RMB503.5 million as at 31 December 2015 to RMB473.1 million as at 31 December 2016. This was mainly due to the depreciation amounting to some RMB62.1 million in the year ended 31 December 2016 as offset by the acquisition of production machinery and office equipment of some RMB31.7 million in the year ended 31 December 2016.

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 RMB57.5 million or 13.9% from RMB412.6 million as at 31 December 2015 to RMB355.1 million as at 31 December 2016.

Trade receivables decreased by some RMB109.2 million or 28.4% from RMB384.4 million as at 31 December 2015 to RMB275.2 million as at 31 December 2016. This was in line with the drop in sales and also efforts in chasing debts.

Trade payables decreased by RMB87.6 million or 15.2% from RMB578.3 million as at 31 December 2015 to RMB490.7 million as at 31 December 2016 due to decreased orders and settlement of outstanding trade debts in the year ended 31 December 2016.

Accruals and other payables increased by RMB5.4 million or 3.3% from RMB166.4 million as at 31 December 2015 to RMB171.8 million as at 31 December 2016.

The "Amount due to shareholders" represented amounts due to Mr Wu Rongguang and Mr Denis Wu reclassified from Accruals and other payables, and Amount due to executive director.

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. The balance was reclassified as "Amount due to shareholders" after resignation of Mr Wu Rongguang as Executive Director on 23 December 2016.

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 3Q2016 Results and its actual 4Q2016 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 2016.

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 2016.

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)	FY2016	FY2015	Change %
Sales reported for the first half year	633,547	616,914	2.7
Loss after taxation for the first half year	(102,819)	(215,133)	(52.2)
Sales reported for the second half year	595,404	666,823	(10.7)
Loss after taxation for the second half year	(121,531)	(203,307)	(40.2)

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).

Pursuant to Rule 704(13) of the Listing Manual, the Board wishes to confirm that there are no person occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director, Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

Charles Chan
Independent Director
1 March 2017

Statement Pursuant to SGX Listing Rule 720(1) of the Listing Manual

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured required undertakings to comply with the Exchange's listing rules from all the Independent Directors and Executive Officers of the Company.

On behalf of the Board of Directors

Bernard Tay
Independent Director
1 March 2017

Alfred Cheong
Independent Director