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

Half Year Financial Statement And Related Announcement for Period Ended 30 June 2020

CAUTIONARY NOTE:

The Company had, on 20 September 2017, entered into a conditional sale and purchase agreement with Jiayao Investments Limited in relation to the disposal of 10,000 ordinary shares, representing the entire issued capital and paid-up capital of Profitstart Group Limited (the "**Target Company**", and together with its subsidiaries, the "**Target Group**"), a wholly-owned subsidiary of the Company, for an aggregate consideration of RMB100,000,000 (the "**Disposal**").

The Disposal was approved by shareholders at the special general meeting of the Company held on 28 March 2018, and completed on 25 May 2018.

After the completion of the disposal of Profitstart Group Limited on 25 May 2018, the Company became a cash company pursuant to Rule 1018 of the Listing Manual ("**Rule 1018**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Board of Directors are pleased to announce the consolidated results of the Group for the half-year ended 30 June 2020. 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 6 MONTHS ENDED 30 JUNE

Group (RMB'000)	**6 months ended**		**Change**
	30 Jun 2020	**30 Jun 2019**	**%**
Administrative expenses	(600)	(447)	34.2
Loss from operations	(600)	(447)	34.2
Finance costs	-	-	N/A
Loss attributable to shareholders	(600)	(447)	34.2

STATEMENT OF COMPREHENSIVE INCOME FOR 6 MONTHS ENDED 30 JUNE

Group (RMB'000)	**6 months ended**		**Change**
	30 Jun 2020	**30 Jun 2019**	**%**
Loss attributable to shareholders	(600)	(447)	34.2
Other comprehensive income	-	-	N/A
Total comprehensive income for the period	(600)	(447)	34.2

Note:

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

1(a)(ii) Other information:

Nil

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	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
CURRENT ASSETS				
Bank and cash balances	890	1,040	890	1,040
	890	1,040	890	1,040
Total assets	890	1,040	890	1,040
EQUITY				
Issued capital	56,595	56,595	56,595	56,595
Share premium	2,956,308	2,956,308	2,956,308	2,956,308
Foreign currency translation reserve	43,125	43,125	43,125	43,125
Contributed surplus	31,494	31,494	31,494	31,494
Accumulated loss	(3,091,732)	(3,091,132)	(3,091,732)	(3,091,132)
	(4,210)	(3,610)	(4,210)	(3,610)
LIABILITIES				
Current liabilities				
Accruals and other payables	5,100	4,650	5,100	4,650
	5,100	4,650	5,100	4,650
Total equity and liabilities	890	1,040	890	1,040

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

Amount repayable in one year or less, or on demand

	As at 30 Jun 2020		As at 31 Dec 2019	
	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 30 Jun 2020 and as at 31 December 2019.

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 6 months 30/6/20	Group 6 months 30/6/19
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(600)	(447)
Increase in accruals and other payables	450	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(150)	(447)
Effect of foreign exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,040	3,098
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	890	2,651
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	890	2,651
Less: Fixed bank deposits over three months	-	-
Cash and cash equivalents	890	2,651

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 1/1/2020	56,595	2,956,308	-	43,125	31,494	-	(3,091,132)	(3,610)
Total comprehensive income for the financial period	-	-	-	-	-	-	(600)	(600)
Balance as at 30/6/2020	56,595	2,956,308	-	43,125	31,494	-	(3,091,732)	(4,210)
Group – Previous Period								
Balance as at 1/1/2019	56,595	2,978,708	-	43,125	31,494	-	(3,088,174)	(652)
Total comprehensive income for the financial period	-	-	-	-	-	-	(447)	(447)
Balance as at 30/6/2019	56,595	2,978,708	-	43,125	31,494	-	(3,088,621)	(1,099)
Company – Current Period								
Balance as at 1/1/2020	56,595	2,956,308	-	43,125	31,494	-	(3,091,132)	(3,610)
Total comprehensive income for the financial period	-	-	-	-	-	-	(600)	(600)
Balance as at 30/6/2020	56,595	2,956,308	-	43,125	31,494	-	(3,091,732)	(4,210)
Company – Previous Period								
Balance as at 1/1/2019	56,595	2,956,308	-	43,125	31,494	-	(3,088,174)	(652)
Total comprehensive income for the financial period	-	-	-	-	-	-	(447)	(447)
Balance as at 30/6/2019	56,595	2,956,308	-	43,125	31,494	-	(3,088,621)	(1,099)

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held 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 and subsidiary holdings.

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 30 June 2020 and 31 December 2019, the share capital of the Company comprised 2,800,000,000 ordinary shares.

1(d)(iv) A statement showing all sales, transfers, 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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.

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 periods beginning on 1 January 2020. For the current reporting period ended 30 June 2020, 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.

	6 months ended 30/6/20	6 months ended 30/6/19
Loss per share – basic (RMB cents)	(0.02) (1)	(0.02) (1)

Notes:

(1) Loss per ordinary share for 6 months ended 30 June 2020 and 30 June 2019 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 30/6/20	Group 31/12/19	Company 30/6/20	Company 31/12/19
Based on the issued capital at the end of the financial period/year (RMB cents)	(0.15)	(0.10)	(0.15)	(0.10)
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 1H2020 as compared to the Group's Performance for 1H2019

Continuing operation

Administrative expenses were professional fees incurred by the Company in connection with the reverse takeover of the Company announced in March 2019.

(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 30 June 2020 as compared to the Group's Financial Position as at 31 December 2019

After the completion of the disposal of Profitstart Group Limited on 25 May 2018, the Company became a cash company. As at 30 June 2020, cash at bank is RMB 0.9 million and accruals and other payables is RMB 5.2 million.

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

No IPT mandate has been obtained from shareholders for the period ended 30 June 2020.

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.

After the completion of the disposal of Profitstart Group Limited, the Company ceased to have any operating business and is deemed to be a cash company under Rule 1018 of the Listing Manual ("Rule 1018"). The Company intends to maintain its listing status on the SGX-ST as a cash company and seek a suitable new business to be injected/acquired. In this regard, the Company has on 25 March 2019 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. The Proposed Transaction if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Rules of the SGX-ST and will be subject to the approval of the Shareholders. On 30 May 2019 and 6 November 2019, the Company was granted extensions (collectively, the "Extensions" and each, an "Extension") to complete the Proposed Transactions, subject to certain conditions ("Waiver Conditions") being met for each Extension. The Company had on 25 March 2020 it had failed to meet the relevant milestones of the Waiver Conditions.

The Company announced on 11 May 2020 that the Company was informed by the SGX-ST on 5 May 2020 that the Company has failed to meet the Waiver Conditions and no further extension will be granted and that the Company should apply for the delisting of the Company. The Company wrote to SGX-ST on 10 June 2020 to explain the reasons for the delays in fulfilling the Waiver Conditions and appeal to the SGX-ST to reconsider and withdraw the delisting notice (the "Appeal"). The Company had on 6 July 2020 received a letter from the SGX-ST ("Delisting Notification") in response to the Company's Appeal, stating, inter alia, that the SGX-ST 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") and the Company is to advise the SGX-ST of the a reasonable exit offer to shareholders as required under Listing Rule 1018(2) (the "Exit Offer Proposal"). The Company also updated the shareholders on 6 August 2020 that the Company is not able to provide any reasonable offer to the shareholders and the Company's controlling shareholders have indicated that they will not make an Exit Offer Proposal.

Please refer to the announcement made by the Company on 25 March 2019, 4 April 2019, 18 April 2019, 31 May 2019, 25 July 2019, 8 August 2019, 2 October 2019, 7 November 2019, 14 November 2019, 31 December 2019, 8 January 2020 and 25 March 2020 for further details on the Proposed Transaction and the announcements made on 11 May 2020, 7 July 2020 and 6 August 2020 for further details on the Delisting.

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 period ended 30 June 2020.

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.

Jiayao Investments Limited, the purchaser of Profitstart Group Limited in the Proposal Disposal, is wholly owned by Denis Wu. Denis Wu, being a sibling of Wu Rongguang, a Controlling Shareholder of the Company, is an associate of Wu Rongguang. Denis Wu and Wu Hanjie, the father of Denis Wu and Wu Rongguang, are also both substantial shareholders of the Company. Accordingly, the Disposal constitutes an "Interested Person Transaction" under Chapter 9 of the Listing Manual.

The Disposal was approved by shareholders at the special general meeting of the Company held on 28 March 2018, and completed on 25 May 2018.

14. Confirmation Pursuant to SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the above unaudited 1H2020 financial results to be materially false or misleading.

On behalf of the Board of Directors

Bernard Tay
Independent Director
14 August 2020

Alfred Cheong
Independent Director

15. Confirmation of Directors and Executive Officers' Undertakings Pursuant to SGX Listing Rule 720(1) of the Listing Manual

The Company has procured required undertakings to comply with the Exchange's listing rules from all the Independent Directors and Executive Officers of the Company.

BY ORDER OF THE BOARD

Charles Chan
Independent Director
14 August 2020