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

Full Year Financial Statement And Related Announcement for Year Ended 31 December 2013

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 2013 and as at 31 December 2012 (restated) and the consolidated statements of comprehensive income for the year ended 31 December 2013 ("FY2013") and the year ended 31 December 2012 ("FY2012") 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. On 31 July 2013, the Company announced on SGXNet that SGX-ST had responded to the Company's trading resumption proposal and is prepared to allow the trading of the Company's shares to resume subject to the conditions set out in the announcement.**

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 1H2012. The Independent Reporting Accountant have completed their audit of the financial results for FY2010 and FY2011 and their review of the financial results for 1H2012.**

g) **On 29 August 2014, 2 October 2014, 31 October 2014 and 1 December 2014, the Company announced that it was not in a position to and will not be proceeding with the trading resumption proposal and was undertaking all strategic options available to the Company.**

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 2013	**31 Dec 2012** (Restated)	**%**
Revenue	2,495,007	2,656,299	(6.1)
Cost of goods sold	(2,112,552)	(2,309,943)	(8.5)
Gross profit	382,455	346,356	10.4
Other income	3,173	1,250	153.8
Selling and distribution expenses	(566,031)	(326,980)	73.1
Administrative expenses	(157,493)	(201,514)	(21.8)
Loss from operations	(337,896)	(180,888)	86.8
Finance costs	(93)	(112)	(17.0)
Loss before tax	(337,989)	(181,000)	86.7
Income tax (expense)/credit	(31,273)	55,823	(156.0)
Loss attributable to shareholders	(369,262)	(125,177)	195.0

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER

Group (RMB'000)	12 months ended 31 Dec 2013	31 Dec 2012 (Restated)	Change %
Loss attributable to shareholders	(369,262)	(125,177)	195.0
Other comprehensive income			
- revaluation surplus	-	21,554	(100.0)
- exchange differences on translating foreign operations	-	(2,329)	(100.0)
Total comprehensive income for the period	(369,262)	(105,952)	248.5

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 2013	31 Dec 2012	Change %
Loss before tax is arrived at after charging/(crediting) the following:			
Sundry income	(2,712)	(506)	436.0
Interest income	(461)	(744)	(38.0)
	(3,173)	(1,250)	153.8
Refurbishment expenses	202,229	91,596	120.8
Depreciation and amortisation			
- cost of goods sold	41,812	60,157	(30.5)
- selling and distribution expenses	5,849	7,695	(24.0)
- administrative expenses	8,405	12,375	(32.1)
	56,066	80,227	(30.1)
Research and development costs	41,805	58,708	(28.8)
Foreign exchange loss	-	1	(100.0)
Revaluation adjustment			
- administrative expenses	-	(25,095)	(100.0)
- other comprehensive income	-	21,554	(100.0)

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 2013	31 Dec 2012 (Restated)	31 Dec 2013	31 Dec 2012
NON-CURRENT ASSETS				
Property, plant and equipment	640,977	688,245	-	-
Land use rights	26,535	27,413	-	-
Deferred tax assets	15,952	15,952	-	-
Investments in subsidiaries	-	-	249,298	249,298
	683,464	731,610	249,298	249,298
CURRENT ASSETS				
Inventories, at cost	490,940	372,539	-	-
Trade receivables	1,023,470	1,160,644	-	-
Land use rights – current portion	878	878	-	-
Prepayments, deposits and other receivables	8,213	30,006	-	-
Due from a subsidiary	-	-	3,008,672	3,008,672
Bank and cash balances	166,214	280,156	61	62
	1,689,715	1,844,223	3,008,733	3,008,734
Total assets	2,373,179	2,575,833	3,258,031	3,258,032
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 surplus	21,554	21,554	-	-
(Accumulated loss)/retained profits	(1,610,248)	(1,240,986)	86,093	94,308
	1,575,799	1,945,061	3,196,015	3,204,230
LIABILITIES				
Current liabilities				
Trade payables	573,548	427,553	-	-
Accruals and other payables	151,985	138,147	32,523	25,101
Amount due to executive director	29,493	28,701	29,493	28,701
Current tax liabilities	41,443	35,460	-	-
	796,469	629,861	62,016	53,802
NON-CURRENT LIABILITIES				
Deferred tax liabilities	911	911	-	-
Total liabilities	797,380	630,772	62,016	53,802
Total equity and liabilities	2,373,179	2,575,833	3,258,031	3,258,032

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 2013		As at 31 Dec 2012	
	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 2013 and as at 31 December 2012.

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 31/12/13	12 months 31/12/12 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(337,989)	(181,000)
Adjustments for:		
Depreciation and amortisation	56,066	80,227
Revaluation adjustment	-	25,095
Loss on disposal of property, plant and equipment	-	3,382
Interest expense	93	112
Interest income	(461)	(744)
Operating loss before working capital changes	(282,291)	(72,928)
(Increase)/decrease in inventories	(118,401)	12,341
Decrease in trade receivables	137,174	198,092
Decrease/(increase) in prepayments, deposits and other receivables	21,793	(24,205)
Increase/(decrease) in trade payables	145,995	(3,966)
Increase/(decrease) in accruals and other payables	13,838	(18,246)
Increase in amount due to executive director	792	14,121
Cash (used in)/generated from operations	(81,100)	105,209
Income tax paid	(25,290)	(18,999)
Interest paid	(93)	(112)
Net cash (used in)/generated from operating activities	(106,483)	86,098
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7,920)	(12,511)
Interest received	461	744
Net cash used in investing activities	(7,459)	(11,767)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(113,942)	74,331
Effect of foreign exchange rate changes	-	(2,329)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	280,156	208,154
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	166,214	280,156
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	166,214	280,156
Less: Fixed bank deposits over three months	-	-
Cash and cash equivalents	166,214	280,156

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 1/1/2013 (restated)	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,240,986)	1,945,061
Total comprehensive income for the financial year	-	-	-	-	-	-	(369,262)	(369,262)
Balance as at 31/12/2013	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,610,248)	1,575,799
Group – Previous Period								
Balance as at 1/1/2012	56,595	2,978,708	125,518	(25,493)	31,494	-	(1,115,809)	2,051,013
Total comprehensive income for the financial period								
- **as previously reported**	-	-	-	(2,329)	-	-	(106,356)	(108,685)
- **prior year adjustment in related to the effect of the change in accounting policies**	-	-	-	-	-	21,554	(18,821)	2,733
- **as restated**	-	-	-	(2,329)	-	21,554	(125,177)	(105,952)
Balance as at 31/12/2012 (restated)	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,240,986)	1,945,061
Company – Current Period								
Balance as at 1/1/2013	56,595	2,978,708	-	43,125	31,494	-	94,308	3,204,230
Total comprehensive income for the financial year	-	-	-	-	-	-	(8,215)	(8,215)
Balance as at 31/12/2013	56,595	2,978,708	-	43,125	31,494	-	86,093	3,196,015
Company – Previous Period								
Balance as at 1/1/2012	56,595	2,978,708	-	(95,641)	31,494	-	122,838	3,093,994
Total comprehensive income for the financial year	-	-	-	138,766	-	-	(28,530)	110,236
Balance as at 31/12/2012	56,595	2,978,708	-	43,125	31,494	-	94,308	3,204,230

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 2013 and 31 December 2012, 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 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.

Save as disclosed in item (5) below, 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 Board has assessed the accounting policies of the Group and decided to retrospectively change the accounting policy for property, plant and equipment ("PPE") from the historical cost basis to the revaluation basis as the Board is satisfied that this is the most appropriate accounting policy. A valuation of the Group's PPE was performed as at 31 December 2012 by a firm of qualified external valuers.

The effects of the change in accounting policy described above on the Consolidated Income Statement, Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2012 and Consolidated Statement of financial position as at 31 December 2012 were disclosed in Note 5 of the Company's first quarter financial statement and related announcement for the period ended 31 March 2013 which was released via SGXNet on 13 June 2013.

The Group has not restated periods prior to FY2012 as it is impractical for the Group to do so. As such, the Group has not presented the Consolidated Statement of Financial Position as at 31 December 2011.

Save for the change in accounting policy for PPE and its effects which are described above, the Group has adopted the applicable new/revised IFRS that are mandatory for annual period beginning on 1 January 2013. For the current reporting period ended 31 December 2013, 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 31/12/13	12 months ended 31/12/12
Loss per share – basic (RMB cents)	(13.19) [(1)]	(4.47)[(1)]

Notes:

(1) Loss per ordinary share for 12 months ended 31 December 2013 and 31 December 2012 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**
	31/12/13	**31/12/12** (Restated)	**31/12/13**	**31/12/12**
Based on the issued capital at the end of the financial period/year (RMB cents)	56.28	69.47	114.14	114.44
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 FY2013 as compared to the Group's Performance for FY2012

Revenue

Revenue decreased by RMB161.3 million or 6.1% from RMB2,656.3 million in FY2012 to RMB2,495.0 million in FY2013.

The size of retail network was 6,189 ERKE Points of Sale ("**ERKE POS**") as at 31 December 2013 (31 December 2012: 6,335).

Revenue by product segments

	FY2013		FY2012		Revenue growth
	RMB'000	% of revenue	RMB'000	% of revenue	%
Footwear	1,149,130	46.1	1,121,565	42.2	2.5
Apparel	1,304,309	52.2	1,504,511	56.7	(13.3)
Accessories	41,568	1.7	30,223	1.1	37.5
Total	2,495,007	100.0	2,656,299	100.0	(6.1)

Revenue from sports footwear increased by RMB27.5 million or 2.5% from RMB1,121.6 million in FY2012 to RMB1,149.1 million in FY2013.

Revenue from sports apparel decreased by RMB200.2 million or 13.3% from RMB1,504.5 million in FY2012 to RMB1,304.3 million in FY2013 due to decreased order volumes by distributors.

Revenue from sports accessories increased by RMB11.4 million or 37.7% from RMB30.2 million in FY2012 to RMB41.6 million in FY2013 due to increased order volumes by distributors.

Cost of goods sold and gross profit margin

Cost of goods sold decreased by RMB197.3 million or 8.5% from RMB2,309.9 million in FY2012 to RMB2,112.6 million in FY2013. This was in line with the decrease in revenue.

Gross profit increased by RMB36.1 million or 10.4% from RMB346.4 million in FY2012 to RMB382.5 million in FY2013. Gross profit margin increased from 13.0% in FY2012 to 15.3% in FY2013.

Operating expenses (Selling and distribution expenses and administrative expenses)

Operating expenses increased by RMB195.0 million or 36.9% from RMB528.5 million in FY2012 to RMB723.5 million in FY2013. As a percentage of revenue, operating expenses has increased from 19.9% in FY2012 to 29.0% in FY2013.

Selling and distribution expenses increased by RMB239.0 million or 73.1% from RMB327.0 million in FY2012 to RMB566.0 million in FY2013 mainly due to higher refurbishment expenses of some RMB202.2 million in FY2013.

Administrative expenses decreased by RMB44.0 million or 21.8% from RMB201.5 million in FY2012 to RMB157.5 million in FY2013 mainly because the Group exercised tight control over administrative expenses.

Research and development costs decreased by RMB16.9 million or 28.8% from RMB58.7 million in FY2012 to RMB41.8 million in FY2013 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.

Loss attributable to shareholders

The Group recorded a loss before tax of some RMB338.0 million in FY2013 as compared to a loss before tax of some RMB181.0 million in FY2012 and a net loss attributable to shareholders of some RMB369.3 million in FY2013 as compared to a net loss attributable to shareholders of some RMB125.2 million in FY2012

(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 2013 as compared to the Group's Financial Position as at 31 December 2012

Bank and cash balances of the Group decreased from RMB280.2 million as at 31 December 2012 to RMB166.2 million as at 31 December 2013.

The Group recorded a net cash outflow from operating activities of some RMB106 million for the year ended 31 December 2013. This was mainly due to the loss before tax of RMB338.0 million and the net increase in inventories of some RMB118.4 million which were offset by the net decrease in trade receivables of RMB137.2 million and the net increase in trade payables of some RMB146.0 million.

Carrying amount of property, plant and equipment decreased by RMB47.2 million from RMB688.2 million as at 31 December 2012 to RMB641.0 million as at 31 December 2013. This was mainly due to depreciation amounting to some RMB55.2 million in FY2013 as offset by the acquisition of production machinery and office equipment of some RMB7.9 million in FY2013. As disclosed in Note 5 above, the carrying value of PPE as at 31 December 2012 has been restated following the change in accounting policy for PPE from the historical cost basis to the revaluation basis.

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 year.

Deferred tax assets represented temporary differences arising from advertising fees.

Inventories increased by 31.8% from RMB372.5 million as at 31 December 2012 to RMB490.9 million as at 31 December 2013.

Trade receivables decreased by some RMB137.1 million or 11.8% from RMB1,160.6 million as at 31 December 2012 to RMB1,023.5 million as at 31 December 2013. This was mainly due to the comparatively lower sales in 4Q2013 (RMB490.5 million).

Prepayments, deposits and other receivables decreased by some RMB21.8 million or 72.7% from RMB30.0 million as at 31 December 2012 to RMB8.2 million as at 31 December 2013. This was mainly due to the full utilisation of the prepayments paid to an advertising agent.

Trade payables increased by RMB145.9 million or 34.1% from RMB427.6 million as at 31 December 2012 to RMB573.5 million as at 31 December 2013.

Accruals and other payables increased by RMB13.9 million or 10.1% from RMB138.1 million as at 31 December 2012 to RMB152.0 million as at 31 December 2013.

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 increased from some RMB28.7 million as at 31 December 2012 to some RMB29.5 million as at 31 December 2013 as the Company continued to incur professional fees and costs in relation to the Independent Investigation and the Company's trading resumption, which were paid by Mr Wu Rongguang on behalf of the Company. No repayments were made to Mr Wu Rongguang in FY2013. This was to avoid straining the Group's cash flow and available working capital for operations.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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.

The Group expects that it will continue to face challenges as market conditions remained highly competitive in the next 12 months. Labour and rental costs keep rising but the Group is unable to increase the selling prices significantly as peer competitors are still launching regular discount campaigns. To maintain market share, the Group needs to refurbish the outlets regularly. The Group also has concerns over the slowing China economy and 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 2013.

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 2013.

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)	FY2013	FY2012	Change %
Sales reported for the first half year	1,361,503	1,270,980	7.1
Loss after taxation for the first half year	(8,932)	(72,945)	(87.8)
Sales reported for the second half year	1,133,504	1,385,319	(18.2)
Loss after taxation for the second half year	(360,330)	(52,232)	589.9

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).

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

Wu Rongguang
Chairman
4 December 2014