CHINA HONGXING SPORTS LIMITED

(Company Registration Number: 36746)
(Incorporated in Bermuda)

(A) PROPOSED DISPOSAL OF THE ENTIRE SHARE CAPITAL OF PROFITSTART GROUP LIMITED – UPDATE ON THE ESCROW ARRANGEMENT

(B) MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH PURSUANT TO RULE 1018(1)(B) OF THE LISTING MANUAL

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1. INTRODUCTION

The board of directors of China Hongxing Sports Limited (the "**Company**") (the "**Board**") refers to the announcement released by the Company on 25 May 2018 in relation to the completion of the proposed disposal and the expected payment date (the "**Completion & EPD Announcement**").

Unless otherwise defined herein or the context otherwise requires, all capitalised terms used in this Announcement shall have the same meanings as defined in the Completion & EPD Announcement.

2. UPDATE ON THE ESCROW ARRANGEMENT

The Board wishes to update Shareholders that the Company has opened an account with DBS Bank Ltd. (the "**DBS Escrow Account**"), in compliance with Rule 1018(1)(a) of the Listing Manual. The Company has placed S$616,000, representing approximately 91% of the Company's cash and short-dated securities in the DBS Escrow Account.

3. ACQUISITION OF A BUSINESS

The Board is currently exploring and evaluating options available to the Company that are in the best interests of Shareholders. The Board will assess potential new business opportunities and investments before deciding on the next course of action. The Company will update Shareholders in due course after a definitive decision has been reached.

4. MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH

The Board wishes to provide Shareholders with the updates set out below, pursuant to Rule 1018(1)(b) of the Listing Manual.

(a) The Company's assets and liabilities as at 31 August 2018 are as follows:

Assets	**RMB'000**
Cash and bank balances	3,383
Total assets	3,383
Less	
Liabilities	
Accruals and other payables	3,750
Total liabilities	3,750
Net liabilities	(367)

(b) The Company's utilisation of cash for the month of August 2018 is as follows:

	RMB'000
Opening cash and bank balances	3,958
Less: Legal expenses	(263)
Administrative expenses	(312)
Closing cash and bank balances	3,383

Shareholders should note that the figures set out above have not been reviewed or audited by the Company's auditors.

By Order of the Board
CHINA HONGXING SPORTS LIMITED

Alfred Cheong
Independent Director
18 September 2018