

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

**Full Year Financial Statement And Related Announcement for Year Ended 31 December 2014**

**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 2014 and as at 31 December 2013 and the consolidated statements of comprehensive income for the year ended 31 December 2014 ("FY2014") and the year ended 31 December 2013 ("FY2013") 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) The Board refers to the Company's announcements released on 29 August 2014, 2 October 2014, 31 October 2014, 1 December 2014, 31 December 2014 and 31 January 2015.

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.

The Company had on 31 January 2015 announced that there has been no update in relation to the Potential Offer since the last update on 31 December 2014.

- 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 2014	31 Dec 2013	
Revenue	2,204,633	2,495,007	(11.6)
Cost of goods sold	(1,872,132)	(2,112,552)	(11.4)
Gross profit	332,501	382,455	(13.1)
Other income	4,086	3,173	28.8
Selling and distribution expenses	(615,016)	(566,031)	8.7
Administrative expenses	(163,223)	(157,493)	3.6
Loss from operations	(441,652)	(337,896)	30.7
Finance costs	(119)	(93)	28.0
Loss before tax	(441,771)	(337,989)	30.7
Income tax expense	(15,964)	(31,273)	(49.0)
Loss attributable to shareholders	(457,735)	(369,262)	24.0

**STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER**

<b>Group</b> (RMB'000)	<b>12 months ended</b>		<b>Change</b> %
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	
Loss attributable to shareholders	(457,735)	(369,262)	24.0
Other comprehensive income			
- exchange differences on translating foreign operations	-	-	N/A
Total comprehensive income for the period	<u>(457,735)</u>	<u>(369,262)</u>	24.0

Note:

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

**1(a)(ii) Other information:**

<b>Group</b> (RMB'000)	<b>12 months ended</b>		<b>Change</b> %
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	
Loss before tax is arrived at after charging/(crediting) the following:			
Sundry income	(3,691)	(2,712)	36.1
Interest income	(395)	(461)	(14.3)
	<u>(4,086)</u>	<u>(3,173)</u>	28.8
Refurbishment expenses	313,660	202,229	55.1
Depreciation and amortisation			
- cost of goods sold	53,312	41,812	27.5
- selling and distribution expenses	6,153	5,849	5.2
- administrative expenses	10,479	8,405	24.7
	<u>69,944</u>	<u>56,066</u>	24.8
Research and development costs	65,348	41,805	56.3

**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)	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	578,222	640,977	-	-
Land use rights	25,657	26,535	-	-
Deferred tax assets	15,952	15,952	-	-
Investments in subsidiaries	-	-	249,298	249,298
	<u>619,831</u>	<u>683,464</u>	<u>249,298</u>	<u>249,298</u>
<b>CURRENT ASSETS</b>				
Inventories, at cost	460,249	490,940	-	-
Trade receivables	888,790	1,023,470	-	-
Land use rights – current portion	878	878	-	-
Prepayments, deposits and other receivables	6,560	8,213	-	-
Due from a subsidiary	-	-	3,008,672	3,008,672
Bank and cash balances	29,596	166,214	60	61
	<u>1,386,073</u>	<u>1,689,715</u>	<u>3,008,732</u>	<u>3,008,733</u>
<b>Total assets</b>	<u>2,005,904</u>	<u>2,373,179</u>	<u>3,258,030</u>	<u>3,258,031</u>
<b>EQUITY</b>				
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	(2,067,983)	(1,610,248)	82,458	86,093
	<u>1,118,064</u>	<u>1,575,799</u>	<u>3,192,380</u>	<u>3,196,015</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	654,260	573,548	-	-
Accruals and other payables	156,964	151,985	32,777	32,523
Amount due to executive director	32,873	29,493	32,873	29,493
Current tax liabilities	42,832	41,443	-	-
	<u>886,929</u>	<u>796,469</u>	<u>65,650</u>	<u>62,016</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	911	911	-	-
<b>Total liabilities</b>	<u>887,840</u>	<u>797,380</u>	<u>65,650</u>	<u>62,016</u>
<b>Total equity and liabilities</b>	<u>2,005,904</u>	<u>2,373,179</u>	<u>3,258,030</u>	<u>3,258,031</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

	<b>As at 31 Dec 2014</b>		<b>As at 31 Dec 2013</b>	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing loans	-	-	-	-

The Group does not have any outstanding borrowings and debt securities as at 31 December 2014 and as at 31 December 2013.

**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)	<b>Group</b>	
	<b>12 months 31/12/14</b>	<b>12 months 31/12/13</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(441,771)	(337,989)
Adjustments for:		
Depreciation and amortisation	69,944	56,066
Interest expense	119	93
Interest income	(395)	(461)
Operating loss before working capital changes	(372,103)	(282,291)
Decrease/(increase) in inventories	30,691	(118,401)
Decrease in trade receivables	134,680	137,174
Decrease in prepayments, deposits and other receivables	1,653	21,793
Increase in trade payables	80,712	145,995
Increase in accruals and other payables	4,979	13,838
Increase in amount due to executive director	3,380	792
Cash used in operations	(116,008)	(81,100)
Income tax paid	(14,575)	(25,290)
Interest paid	(119)	(93)
Net cash used in operating activities	(130,702)	(106,483)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(6,311)	(7,920)
Interest received	395	461
Net cash used in investing activities	(5,916)	(7,459)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(136,618)</b>	<b>(113,942)</b>
Effect of foreign exchange rate changes	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>166,214</b>	<b>280,156</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>29,596</b>	<b>166,214</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	29,596	166,214
Less: Fixed bank deposits over three months	-	-
Cash and cash equivalents	29,596	166,214

**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
<b>Group – Current Period</b>								
<b>Balance as at 1/1/2014</b>	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,610,248)	1,575,799
Total comprehensive income for the financial year	-	-	-	-	-	-	(457,735)	(457,735)
<b>Balance as at 31/12/2014</b>	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,067,983)	1,118,064
<b>Group – Previous Period</b>								
<b>Balance as at 1/1/2013 (restated)</b>	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)
<b>Balance as at 31/12/2013</b>	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(1,610,248)	1,575,799
<b>Company – Current Period</b>								
<b>Balance as at 1/1/2014</b>	56,595	2,978,708	-	43,125	31,494	-	86,093	3,196,015
Total comprehensive income for the financial year	-	-	-	-	-	-	(3,635)	(3,635)
<b>Balance as at 31/12/2014</b>	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380
<b>Company – Previous Period</b>								
<b>Balance as at 1/1/2013</b>	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)
<b>Balance as at 31/12/2013</b>	56,595	2,978,708	-	43,125	31,494	-	86,093	3,196,015



- 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 2014 and 31 December 2013, 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.**

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 2014. For the current reporting period ended 31 December 2014, 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 31/12/14	12 months ended 31/12/13
Loss per share – basic (RMB cents)	(16.35) <sup>(1)</sup>	(13.19) <sup>(1)</sup>

Notes:

(1) Loss per ordinary share for 12 months ended 31 December 2014 and 31 December 2013 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 31/12/14	Group 31/12/13	Company 31/12/14	Company 31/12/13
Based on the issued capital at the end of the financial period/year (RMB cents)	39.93	56.28	114.01	114.14
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 FY2014 as compared to the Group's Performance for FY2013**

**Revenue**

Revenue decreased by RMB290.4 million or 11.6% from RMB2,495.0 million in FY2013 to RMB2,204.6 million in FY2014.

The size of retail network was 6,326 ERKE Points of Sale ("ERKE POS") as at 31 December 2014 (31 December 2013: 6,189).

## Revenue by product segments

	FY2014		FY2013		Revenue growth
	RMB'000	% of revenue	RMB'000	% of revenue	%
Footwear	1,369,327	62.1	1,149,130	46.1	19.2
Apparel	824,902	37.4	1,304,309	52.2	(36.8)
Accessories	10,404	0.5	41,568	1.7	(75.0)
Total	2,204,633	100.0	2,495,007	100.0	(11.6)

Revenue from sports footwear increased by RMB220.2 million or 19.2% from RMB1,149.1 million in FY2013 to RMB1,369.3 million in FY2014 due to increase in order volume by distributors.

Revenue from sports apparel decreased by RMB479.4 million or 36.8% from RMB1,304.3 million in FY2013 to RMB824.9 million in FY2014 due to decreased order volumes by distributors.

Revenue from sports accessories decreased by RMB31.2 million or 75.0% from RMB41.6 million in FY2013 to RMB10.4 million in FY2014 due to decreased order volumes by distributors.

**Cost of goods sold and gross profit margin**

Cost of goods sold decreased by RMB240.5 million or 11.4% from RMB2,112.6 million in FY2013 to RMB1,872.1 million in FY2014. This was in line with the decrease in revenue.

Gross profit decreased by RMB50.0 million or 13.1% from RMB382.5 million in FY2013 to RMB332.5 million in FY2014. Gross profit margin decreased from 15.3% in FY2013 to 15.1% in FY2014.

**Operating expenses (Selling and distribution expenses and administrative expenses)**

Operating expenses increased by RMB54.7 million or 7.6% from RMB723.5 million in FY2013 to RMB778.2 million in FY2014. As a percentage of revenue, operating expenses has increased from 29.0% in FY2013 to 35.3% in FY2014.

Selling and distribution expenses increased by RMB49.0 million or 8.7% from RMB566.0 million in FY2013 to RMB615.0 million in FY2014 mainly due to higher refurbishment expenses of some RMB313.7 million in FY2014.

Administrative expenses increased by RMB5.7 million or 3.6% from RMB157.5 million in FY2013 to RMB163.2 million in FY2014 mainly because the Group exercised tight control over administrative expenses.

Research and development costs increased by RMB23.5 million or 56.2% from RMB41.8 million in FY2013 to RMB65.3 million in FY2014 due to the higher 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 RMB441.8 million in FY2014 as compared to a loss before tax of some RMB338.0 million in FY2013 and a net loss attributable to shareholders of some RMB457.7 million in FY2014 as compared to a net loss attributable to shareholders of some RMB369.3 million in FY2013

**(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 2014 as compared to the Group's Financial Position as at 31 December 2013**

Bank and cash balances of the Group decreased from RMB166.2 million as at 31 December 2013 to RMB29.6 million as at 31 December 2014.

The Group recorded a net cash outflow from operating activities of some RMB131 million for the year ended 31 December 2014. This was mainly due to the loss before tax of RMB441.8 million which were offset by the net decrease in trade receivables of RMB134.7 million and the net increase in trade payables of some RMB80.7 million.

Carrying amount of property, plant and equipment decreased by RMB62.8 million from RMB641.0 million as at 31 December 2013 to RMB578.2 million as at 31 December 2014. This was mainly due to depreciation amounting to some RMB69.1 million in FY2014 as offset by the acquisition of production machinery and office equipment of some RMB6.3 million in FY2014.

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 decreased by 6.3% from RMB490.9 million as at 31 December 2013 to RMB460.2 million as at 31 December 2014.

Trade receivables decreased by some RMB134.7 million or 13.2% from RMB1,023.5 million as at 31 December 2013 to RMB888.8 million as at 31 December 2014. This was mainly due to the faster collection of trade receivables in 4Q2014.

Trade payables increased by RMB80.8 million or 14.1% from RMB573.5 million as at 31 December 2013 to RMB654.3 million as at 31 December 2014.

Accruals and other payables increased by RMB5.0 million or 3.3% from RMB152.0 million as at 31 December 2013 to RMB157.0 million as at 31 December 2014.

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. No repayments were made to Mr Wu Rongguang in FY2014. 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/recommendeded, a statement to that effect.**

No dividend had been declared or recommended for the year ended 31 December 2014.

- 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 2014.

**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.**

	<b>FY2014</b>	<b>FY2013</b>	<b>Change %</b>
(RMB'000)			
Sales reported for the first half year	852,484	1,361,503	(37.4)
Loss after taxation for the first half year	(130,110)	(8,932)	(1,356.7)
Sales reported for the second half year	1,352,149	1,133,504	19.3
Loss after taxation for the second half year	(327,625)	(360,330)	(9.1)

- 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).**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Wu Rongguang	40	Son of Wu Hanjie, substantial shareholder.  Brother of Denis Wu, substantial shareholder.	Executive Director: 28 April 2005  Group Chairman: 5 May 2007	NA

**BY ORDER OF THE BOARD**

Wu Rongguang  
Chairman  
17 February 2015