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

CLARIFICATION ON THE SECOND APPLICATION FOR AN EXTENSION OF TIME TO MEET THE REQUIREMENTS FOR A NEW LISTING UNDER RULE 1018(2) OF THE LISTING RULES OF THE SGX-ST

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*Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings as defined in the Company's announcements dated 25 March 2019, 4 April 2019, 18 April 2019, 31 May 2019, 25 July 2019, 8 August 2019, 2 October 2019, 7 November 2019 and 14 November 2019 (collectively, the "**Announcements**") in respect of the Proposed Transaction.*

1. INTRODUCTION

The Board of Directors (the "**Board**") of China Hongxing Sports Limited (the "**Company**") refers to the Company's Announcement dated 7 November 2019 entitled "Approval of Application for a Further Extension of Time to Meet the Requirements for a New Listing Under Rule 1018(2) of the Listing Rules of the SGX-ST" (the "**7 November Announcement**").

As announced by the Company, the Company had on 24 September 2019 applied for a further 6-month extension of time in respect of the PAN Deadline (the "**Second Extension**"), and the SGX-ST had on 6 November 2019 advised that it had no objection to the Second Extension, subject to the conditions set out in the 7 November Announcement.

2. CLARIFICATION ON REASONS FOR APPLYING FOR THE SECOND EXTENSION

The Board wishes to clarify that the reasons for the Company's application on 24 September 2019 (the "**Second Application Date**") for the Second Extension are as follows:

(a) as at the Second Application Date, the necessary due diligence works by the Appointed Professionals were underway;

(b) as at the Second Application Date, the Target Company had invested in and strengthened its finance and technical teams;

(c) as at the Second Application Date, the Target Company was undertaking a fundraising exercise to secure sufficient funding to finance the Proposed Transaction and for its operations. The Target Company had successfully raised certain funds and was working to secure additional commitments from identified investors by November 2019;

(d) as at the Second Application Date, the Vendor had been in negotiations to acquire an additional copper-gold mining concession located in the Mankayan district of the Benguet province in the Philippines (the "**Mankayan Concession**"). Bezant Resources Plc ("**Bezant**") had on 7 October 2019 subsequently announced that it had entered into a transaction agreement with the Vendor on 4 October 2019 for the Target Company to acquire Asean Copper Investments Limited, the special purpose vehicle through which Bezant held the Mankayan Concession. Later on 14 November 2019, the Company announced that it had entered into a supplemental deed with the Vendor and the Target Company, to amend certain terms in the Sale and Purchase Agreement in respect of the Proposed Transaction (the "**Supplemental Deed**"). For further details on Bezant and the Supplemental Deed, please refer to the Announcement dated 14 November 2019;

(e) as at the Second Application Date, the Vendor had been determining the optimal asset portfolio of commercially feasible mining concessions to be acquired by the Company pursuant to the Proposed Transaction. As stated in the Company's Announcement dated 14 November 2019, the Company and the Vendor had subsequently decided to amend,

vary and substitute the asset portfolio, such that the Proposed Transaction comprised the following mining concessions:

(i) the Mankayan Concession; and

(ii) the copper mining concession located in the Negros Occidental province in the Philippines (the "**Negros Occidental Concession**").

For further details on the Mankayan Concession and the Negros Occidental Concession, please refer to the Announcement dated 14 November 2019; and

(f) as at the Second Application Date, the necessary due diligence (comprising financial, legal, commercial and technical due diligence) on the Mankayan Concession and Negros Occidental Concession had not yet commenced.

The Company will, in compliance with the relevant requirements under the Listing Rules of the SGX-ST, make further announcement(s) to update Shareholders on any material developments of the Proposed Transaction, as and when appropriate.

Shareholders are advised to exercise caution when dealing in the shares of the Company as the Proposed Transaction is subject to numerous conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Transaction will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Transaction.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board
CHINA HONGXING SPORTS LIMITED

Alfred Cheong
Independent Director
8 January 2020