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

SUPPLEMENTAL DEED TO THE SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL OF THE ENTIRE SHARE CAPITAL OF PROFITSTART GROUP LIMITED

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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 announcement dated 21 September 2017 (the "**September 2017 Announcement**") in respect of the Proposed Disposal.*

1. INTRODUCTION

The board of directors of the Company (the "**Board**") refers to the conditional sale and purchase agreement dated 20 September 2017 between the Company and Jiayao Investments Limited (the "**Purchaser**" and together with the Company, the "**Parties**") in relation to the disposal of 10,000 ordinary shares, representing the entire issued and paid-up capital of Profitstart Group Limited (the "**Target Company**"), a wholly-owned subsidiary of the Company, for an aggregate consideration of RMB100,000,000 (the "**Consideration**") (the "**Proposed Disposal**").

2. THE SUPPLEMENTAL DEED

The Board wishes to announce that the Company and the Purchaser have entered into a supplemental deed on 22 November 2017 (the "**Supplemental Deed**") to amend, modify and supplement the SPA in respect of the Proposed Disposal. The Supplemental Deed seeks to, *inter alia*:

(a) record the Parties' understanding that:

  (i) the sale of the Target Company would include all companies directly and/or indirectly owned by the Target Company, which in addition to the subsidiaries set out in Paragraph 2.1 of the September 2017 Announcement, includes:

    (A) Fujian Hongrong Shoes & Garments Co. Ltd. (泉州鸿荣鞋服有限公司); and

    (B) Fujian Hongrong Sports Goods Co., Ltd. (泉州鸿荣体育有限公司); and

  (ii) the Consideration assumes the waiver of all loans outstanding between the Company and the Target Group; and

(b) amend, modify and supplement the following salient terms of the SPA:

  (i) in relation to the condition precedent set out in Paragraph 3.2(a)(ii) of the September 2017 Announcement, that Shareholders' approval be obtained at an EGM for the distribution of at least 80% of the Cash Consideration in the form of dividends or return of capital by the Company to the Shareholders (save for the Wu Family); and

(ii) that the Company shall, upon completion of the Proposed Disposal:

(A) waive in its entirety, the intercompany loan amount of RMB3,008,672,000, which had been advanced by the Company to the Target Company (the "**Intercompany Loan**"); and

(B) waive all rights of recourse against the Company in respect of the Intercompany Loan.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in the September 2017 Announcement, none of the Directors or controlling shareholders of the Company, has any interest, direct or indirect (other than through their shareholdings in the Company, if any), in the Supplemental Deed.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the office of the Company's solicitors, Fortis Law Corporation at 80 Raffles Place, #35-02 UOB Plaza 1, Singapore 048624, during normal business hours for a period of three (3) months from the date of this Announcement:

(a) the SPA; and

(b) the Supplemental Deed.

By Order of the Board
CHINA HONGXING SPORTS LIMITED

Alfred Cheong
Independent Director
23 November 2017