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

PROPOSED DISPOSAL OF THE ENTIRE SHARE CAPITAL OF PROFITSTART GROUP LIMITED – ANNOUNCEMENT OF COMPLETION OF THE PROPOSED DISPOSAL AND EXPECTED PAYMENT DATE

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 Circular (as defined below) and the BCD & ED Announcement (as defined below).

1. INTRODUCTION

The board of directors of China Hongxing Sports Limited (the "**Company**") refers to the circular to shareholders of the Company dated 2 March 2018 (the "**Circular**"), and the announcement released by the Company on 27 April 2018 in relation to notice of the books closure date and the effective date (the "**BCD & ED Announcement**").

2. COMPLETION OF THE PROPOSED DISPOSAL

The Board is pleased to announce that the Proposed Disposal has been completed on 25 May 2018, and Profitstart Group Limited has ceased to be a subsidiary of the Company.

3. ESCROW ARRANGEMENT

As the Company has ceased to have any operating business, it is now deemed to be a cash company under Rule 1018 of the Listing Manual.

Rule 1018(1)(a) of the Listing Manual requires an issuer which is a cash company to place 90.0% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore.

The Company is currently in the process of appointing an escrow agent for the purpose of complying with Rule 1018(1)(a) of the Listing Manual, and will make the relevant announcement in due course to update Shareholders on the escrow arrangement.

4. EXPECTED PAYMENT DATE

Notwithstanding the above, the Board wishes to announce that the Company will be proceeding with the payment of the Cash Distribution Sum to Shareholders (save for the Wu Family) pursuant to the Proposed Cash Distribution. The Expected Payment Date is expected to be on or around 22 June 2018.

By Order of the Board
CHINA HONGXING SPORTS LIMITED

Alfred Cheong
Independent Director
25 May 2018