

CHINA HONGXING SPORTS LIMITED

Company Registration No. 36746

Incorporated in Bermuda

FURTHER INFORMATION ON THE COMPANY'S FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2017

The Board of Directors (**Board**) of China Hongxing Sports Limited (**Company**) refers to the Company's unaudited financial results for the period ended 30 June 2017 released on 14 August 2017 (**Announcement**) and the further information requested by the Singapore Exchange Securities Trading Limited (**SGX-ST**) on 6 September 2017 relating to the Announcement.

The Board wishes to provide the following information in response to the queries from the SGX-ST as follows:

SGX Query 1:

Please provide a breakdown and aging report of "Inventories, at cost" amounting to RMB 350.8 million.

Company's Response:

Breakdown of inventories as at 30 June 2017

Raw materials RMB 128 million

Finished goods RMB 223 million

Finished goods are aged within 90 days.

SGX Query 2:

Please provide a breakdown and aging analysis of "Trade receivables" amounting to RMB 294.0 million.

Company's Response:

Ageing of Trade receivables as at 30 June 2017:

Within 90 days RMB 212 million

91-120 days RMB 52 million

121-180 days RMB 30 million

The Company sells to selected exclusive distributors only with 90 to 120 days credit period.

SGX Query 3:

Please provide a breakdown of “Accruals and other payables” amounting to RMB 173.7 million.

Company’s Response:

The major items of Accruals and other payables were salaries payable, Value Added Tax payable, accrual for staff housing fund, accrual for directors’ fees.

SGX Query 4:

Please provide more information on the “Amounts due to shareholders”, being Denis Wu and Wu Rongguang, explaining the nature and terms of the underlying transactions. Please explain whether these are Interested Person Transactions, and if so, disclose whether these have been announced and shareholders’ approval obtained.

Company’s Response:

The “Amounts due to shareholders” relates to (a) employment remuneration owing to Denis Wu and Wu Rongguang, (b) payments made or borne by Denis Wu and Wu Rongguang, on behalf of the Company to professionals in connection with the Independent Investigation and the Company’s trading resumption proposal and (c) payments made or borne by Denis Wu and Wu Rongguang on behalf of the Company for other expenses, including SGX/CDP fees, company secretarial fees, Bermuda annual fees.

Item (a) above is not required to comply with Rules 905, 906 and 907 of the Listing Manual of SGX-ST (Listing Manual). Items (b) and (c) above are not Interested Person Transactions.

By Order of the Board

Madelyn Kwang Yeit Lam

Company Secretary

8 September 2017