

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

(1) RESPONSES TO QUERIES FROM SGX-ST ON THE COMPANY'S ANNOUNCEMENT DATED 4 APRIL 2019

(2) APPOINTMENT OF THE FINANCIAL ADVISOR

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 and 4 April 2019 (the "Announcements") in respect of the Proposed Transaction.

1. RESPONSES TO QUERIES FROM SGX-ST

The Board of Directors (the "**Board**") of China Hongxing Sports Limited (the "**Company**") refers to the Company's announcement "Response to Queries from the Singapore Exchange Securities Trading Limited on the Company's Announcement dated 25 March 2019" dated 4 April 2019 (the "**4 April 2019 Announcement**").

The Board wishes to provide the information below, in response to queries received on 12 April 2019 from the SGX-ST in relation to the 4 April 2019 Announcement as follows:

SGX Query 1:

On 4 April 2019, the Company responded to SGX Queries on the Company's announcement "Proposed Acquisition by the Company of all the issued and paid up share capital in Mining and Minerals Investment Holding Pte Ltd" dated 25 March 2019. In the Company's response to SGX Query 6, the Company disclosed that "The Issue Price has been agreed based on the following formula:

$$\frac{\text{S\$10 million}}{\text{Existing Company Shares}}$$

where, "Existing Company Shares" refers to the number of Shares as at the date of the Sale and Agreement, being 2,800,000,000 Shares."

Please explain what the amount of S\$10 million refers to and how it was determined.

Company's Response:

The amount of S\$10 million represents what the parties perceive as the value of the Company, which was agreed between the parties on a willing buyer, willing seller basis.

SGX Query 2:

In the Company's response to SGX Query 7, the Company disclosed that "MMIHPL does not have the latest three years of financial information of the assets to be acquired and is unable to provide the pro forma financial information n required in Listing Rule 1015(1)(a)(ii)."

Please disclose the financial results of the 2 mines for the last 3 financial years.

Company's Response:

The following information is provided by the Vendor:

In relation to the Gold Mine Concession with KCD, no drilling operations have started and hence the latest 3 years *pro forma* financial information as required under Rule 1015(1)(a)(ii) of the Listing Manual is not available.

In relation to the mine in Iligan City, a summary of the audited consolidated financial statements (“**Wolfland Financial Statements**”) for each of the last three (3) financial years ended 31 December 2016 (“**FY2016**”), 31 December 2017 (“**FY2017**”) and 31 December 2018 (“**FY2018**”) is set out below:

The Wolfland Financial Statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

(I) Consolidated Income Statement

	FY2016		FY2017		FY2018	
	PHP	SGD ⁽¹⁾	PHP	SGD ⁽²⁾	PHP	SGD ⁽³⁾
Revenue						
Other Income	114,579	2,518.79	20,040	535.95	1,348	35
Expenses	(1,196,327)	(26,298.86)	(1,422,459)	(38,042.24)	(2,148,543)	(55,789.07)
Loss before tax	(1,081,748)	(23,780.07)	(1,402,419)	(37,506.29)	(2,147,195)	(55,754.07)
Income Tax Benefit	287,815	6,327.04	464,081	12,411.38	(174,732)	(4,537.09)
Net Loss	(793,933)	(17,453.03)	(1,866,500)	(49,917.68)	(1,972,463)	(51,216.97)

Notes:

- (1) Translated at the rate of S\$2.1983 per 100 units of Philippine Peso
- (2) Translated at the rate of S\$2.6744 per 100 units of Philippine Peso
- (3) Translated at the rate of S\$2.5966 per 100 units of Philippine Peso

(II) Consolidated Balance Sheet

	FY2016		FY2017		FY2018	
	PHP	SGD ⁽¹⁾	PHP	SGD ⁽²⁾	PHP	SGD ⁽³⁾
Current assets	38,197,724	839,700.57	2,306,569	61,686.88	2,239,689	58,155.76
Non-current assets	278,487,701	6,121,996.13	283,336,504	7,577,551.46	321,657,920	8,352,169.55
Total Assets	316,685,425	6,961,695.70	285,643,073	7,639,238.34	323,897,609	8,410,325.32
Total Liabilities	296,569,664	6,519,490.92	267,393,812	7,151,180.11	307,620,811	7,987,681.98
Total Equity	20,115,761	442,204.77	18,249,261	488,058.24	16,276,798	422,643.34
Total Liabilities and Equity	316,685,425	6,691,695.70	285,643,073	7,639,238.34	323,897,609	8,410,325.32

Notes:

- (1) Translated at the rate of S\$2.1983 per 100 units of Philippine Peso
- (2) Translated at the rate of S\$2.6744 per 100 units of Philippine Peso
- (3) Translated at the rate of S\$2.5966 per 100 units of Philippine Peso

2. APPOINTMENT OF THE FINANCIAL ADVISOR

The Board refers to the March 2019 Announcement which states that the Company is finalising the appointment of the financial advisor in respect of the Proposed Transaction.

The Company is still in the midst of selecting and finalising the appointment of the financial advisor and will make such further announcements at the appropriate juncture.

By Order of the Board
CHINA HONGXING SPORTS LIMITED

Alfred Cheong
Independent Director
17 April 2019