

CHINA SPORTS INTERNATIONAL LIMITED
(UNDER JUDICIAL MANAGEMENT)
(the "**Company**")
(Incorporated in Bermuda)
(Company Registration Number: 39798)

MONTHLY UPDATE AND UPDATE ON APPLICATION FOR TIME EXTENSIONS

*The Company refers to its announcements dated 10 July 2020, 30 July 2020, and 2 September 2020 (the "**Announcements**"). Unless defined otherwise, all capitalised terms used but not defined in this announcement shall have the meanings ascribed to them in the Announcements. In addition, the terms "1Q" and "FY" refer to the first-quarter ended 30 September, second-quarter ended 31 December, third-quarter ended 31 March, fourth-quarter ended 30 June and full-year ended 30 June respectively. The term "18mFY2016/17" refers to the 18-month period from 1 January 2016 to 30 June 2017.*

1 APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH LISTING RULES

1.1 The Judicial Managers wish to inform that the Company had made an application to the Singapore Exchange Regulation Pte. Ltd. (the "**Exchange**") requesting for extensions of time to comply with each of the following:

- (a) Listing Rule 1304(1) in relation to submission of resumption proposal;
- (b) Listing Rules 705(1) and (2) in relation to the announcement of financial results; and
- (c) Listing Rule 707(1) in relation to the convening of annual general meetings ("**AGMs**")

(collectively, the "**SGX Waiver Application**").

1.2 The SGX Waiver Application was sought based on *inter alia* the following reasons:-

- (a) The Company entered into an implementation agreement with Mahabuild Pte. Ltd. (the "**Transferee**") on 15 November 2019 (the "**Implementation Agreement**") setting out the terms for the proposed transfer of the Company's listing status ("**Transfer**") to the Transferee by way of a scheme of arrangement. The Transfer is envisaged to result in the listing and admission of the Transferee to Catalist (the "**Listing**"), the sponsor-supervised board of the Exchange. Further details are set out in the announcement dated 15 November 2019.
- (b) The Judicial Managers require time to assess if the conditions precedent to the Implementation Agreement are capable or likely to be fulfilled, so as to be in a position to present a meaningful resumption proposal to the Exchange. One of these conditions precedent is that in-principle approval for the Listing is obtained, which is presently pending an application to be made by the Transferee and its appointed professionals. The Company is given to understand that more time is required by the Transferee before the application is made, as the efforts taken to progress the transactions contemplated in the Implementation Agreement have been affected by measures taken to address the COVID-19 pandemic, such as travel restrictions, which has implications on the conduct of *inter alia* due diligence, site visits and management interactions.
- (c) There are also limited or no immediately available resources available to the Judicial Managers for the financial results to be drawn up and announced. For the same reason,

the Judicial Managers are also presently unable to obtain clarity on the financial condition of the Company and its subsidiaries ("**Group**"), such that it is a practical impossibility for financial results to be drawn up. Any disclosures made in this regard would not give a true and fair view of the financial condition of the Group.

- (d) The Company remains listed, and is therefore required to convene AGMs in accordance with Listing Rule 707(1). Given, however, that one of the key agenda items for the AGMs would be to receive the full year financial results, it would not be meaningful for an AGM to be convened in the absence of the financial results (for the reasons mentioned above).

2 EXTENSION OF TIME TO COMPLETE RESUMPTION PROPOSAL

2.1 The Exchange had on 22 September 2020 informed the Company that it had no objection in granting a **final** time extension of up till **31 January 2021** to complete the resumption proposal, failing which, the Company will be delisted from the Exchange without further reference (the "**Final Waiver**").

2.2 The Final Waiver is subject to the following conditions:

- (a) the Company announcing the Final Waiver granted, the reason(s) for seeking the Final Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Final Waiver conditions have been satisfied. If the Final Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) a confirmation from the Judicial Managers that they will proceed to delist the Company in the event that the Transfer does not complete by 31 January 2021;
- (c) a confirmation from the Sponsor by 31 October 2020, that the business is viable and able to meet RTO requirements, having undertaken and completed their due diligence of the post-acquisition entity, and that the post-acquisition entity has adequate working capital for the next 12 months;
- (d) the submission of the RTO circular and other relevant documents to IPO Admissions by 15 November 2020; and
- (e) completion of the RTO by 31 January 2021.

2.3 The Final Waiver will not be effective if any of the aforesaid conditions are not fulfilled. The release of this announcement seeks to satisfy the condition set out in paragraph 2.2(a) above.

2.4 The Exchange has clarified that rules pertaining to a "RTO" or reverse takeover are applicable in the context of the Transfer, and that a valuation of the business of the target (i.e. the Transferee) is required. The Company has not received any valuation report on the business of the Transferee presently, and has communicated to the Transferee the need to observe this requirement.

3 NO EXTENSION OF TIME FOR FINANCIAL REPORTING AND CONVENING OF AGMS

3.1 The Exchange has rejected the Company's application for further time extensions with respect to compliance with Listing Rules 705(1) and 705(2) for the announcement of full-year financial periods

ended 18mFY2016/17, FY2018, FY2019, and quarterly reporting for the financial periods 1Q2018 up until 1Q2020.

- 3.2 The Exchange has also rejected the Company's application for further time extensions to convene its AGMs for the time period(s) 18mFY2016/17, FY2018, FY2019, and FY2020 in compliance with Listing Rule 707(1).

4 SUSTAINABILITY REPORTING

- 4.1 The Exchange has directed the Company to explain by way of a SGXNet announcement as to why it is not issuing Sustainability Report(s) for FY2017, FY2018, FY2019 and FY2020 to comply with Listing Rule 711A.
- 4.2 The Company is under judicial management and, as an investment holding company, it also does not have any business activities nor sustainability practices in that regard. Further, the Company's assets comprise investments in subsidiaries which are mainly based in the People's Republic of China. The Judicial Managers thus do not have any visibility over the state of affairs of these subsidiaries, as they have not been able to obtain the handover of any books and/or accounting and secretarial records belonging to these subsidiaries, nor does the Company have the resources for the Judicial Managers to take further action to recover these records. The Company is accordingly unable to comment on the sustainability practices of these subsidiaries and the Group as a whole.

5 MONTHLY UPDATE

- 5.1 The Judicial Managers also wish to inform that the Transferee has recently changed its name from "Mahabuild Pte. Ltd." to "Shiya Group Pte. Ltd.".
- 5.2 Save for the above, the Judicial Managers are not aware of any other material developments in relation to the affairs of the Company.

Further updates on the other conditions would be announced as and when there are material developments.

Submitted by the Judicial Managers For and On Behalf of the Company

Andrew Grimmett and Lim Loo Khoon
Deloitte & Touche LLP
24 September 2020