



## **CHINA SPORTS INTERNATIONAL LIMITED**

(Incorporated in Bermuda)  
(Company Registration: 39798)

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### **RESPONSE TO SGX-ST QUERIES**

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The Board of Directors (the “**Board**”) of China Sports International Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) would like to provide the following information in response to queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in respect of the Company announcement on 07 November 2017

#### **Query 1 of the SGX-ST**

In the Company's 7 November 2017 announcement (the “**Announcement**”), it was disclosed that the Exchange expects the Company to hold its AGM as soon as possible. Please:-

- i) Provide a status update on the audit process; and
- ii) Disclose whether the cash audit has been completed and the observations of the auditors. If this has not yet been completed and noting that the listing rules require the Company to hold their AGM for their extended 18 month-Financial Period ended 30 June 2017 no later than 31 Oct 2017, to justify robustly why the auditors have not been provided assistance to perform their cash audit.

#### **The Company's Response**

- i) The Company has not commenced its audit process as of to-date.
- ii) The cash audit has not been commenced and incidentally auditors did not have any observations pertaining to this process. This was due to the Company CEO were away on a business trip in Suzhou to discuss with local authorities on its refundable deposit on a piece of land which the Company had placed.

However, the Company has identified and expecting to engage a Financial Controller together with a Non Executive Director (with financials background) on Board before end of next week to expedite the audit process and to convene AGM for FY2017 shortest possible.

### **Query 2 of the SGX-ST**

In view of the difficulty in completing the audit for the Company, please provide an update on the Company's operations, its state of affairs and its financial viability and the state of affairs of the Company.

### **The Company's Response**

One of the Company Independent Directors, Mr. Leow has visited the factory in Jun 2017 and July 2017. During his visit, he has sighted the factory was in operation. There were new orders secured and everything is operating in normal condition.

Both independent directors were concerned of the Company affairs when Company were unable to convene AGM 2017 on time. It was agreed that Mr. Leow to visit the Company to understand the Company latest operating and financial position as well as to witness the cash audit process.

During his recent trip (20<sup>th</sup> Nov-23<sup>rd</sup> Nov17) to the Company, he was unable to achieve these objectives as CEO, Mr. Lin was away on a business trip. Hence, the Company independent directors are unable to form any conclusion on the current state of affairs.

To assure shareholders concern that Company is still operating in proper and orderly manner, Mr. Lin would welcome any of the Independent Directors to visit the factory at any point of time. This will help to alleviate any fears that shareholders may have and also to demonstrate its transparency in its operation and state of affairs.

In view of the above, both independent directors deem it is necessary to appoint a Financial Controller immediately to kickstart the audit without further delay. This will help to ensure Company is in order to meet compliance regulations and to safeguard shareholders interest.

### **Query 3 of the SGX-ST**

Please provide the board of directors ("Board")'s confirmation and basis on whether the Board has a clear view and understanding on the state of affairs of the Company.

### **The Company's Response**

Please refer to response 2 above.

#### **Query 4 of the SGX-ST**

For the purpose of determining if Rule 1303(3)(c) should apply, please provide the following information:-

- (i) the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view; and
- (ii) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

#### **The Company's Response**

- i) the Board believe Company will be able to operate as going concern as Company should be able to meet its obligations as and when its fall due given its cash position reported in recent announcement.
- ii) the Board confirmed all material information have been provided.

#### **Query 5 of the SGX-ST**

Please also provide the Board's views and justifications on why the shares of the Company should not be suspended.

#### **The Company's Response**

The Board felt that the Company shares should be placed under suspension until such time the Company auditors completed its audit and the board is clear with company state of affairs

By Order of the Board

Lin ShaoXiong  
Chief Executive Officer  
27 November 2017