



CHINA SPORTS INTERNATIONAL LIMITED
Incorporated in Bermuda
(Company Registration: 39798)

AUDIT COMMITTEE'S STATEMENT

- ANNOUNCEMENT PURSUANT TO RULE 704(5) OF LISTING MANUAL IN RELATION TO AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

China Sports International Limited (the “**Company**” or “**CSI**”, together with its subsidiaries, “**the Group**”) refers to the announcement by the Company yesterday (*Announcement pursuant to Rule 704(5) of Listing Manual in relation to Audited Financial Statements for Year Ended 31 December 2014*) and the disclaimer of opinion contained in the *Independent Auditor's Report* issued by the external auditors of the Company, RT LLP (the “**external auditors**”) on the consolidated financial statements of the Company dated 14 April 2015 (the “**Disclaimer of Opinion**”) (the “**Independent Auditor's Report**”).

The Audit Committee of CSI (the “**AC**”) would like to provide further background to and update the shareholders of CSI.

Prior to the issue of the Disclaimer of Opinion, the external auditors highlighted to the AC that the audit work progress had been slow as information and supporting documents were not provided to the external auditors in a timely manner. Thereafter, the AC discussed the matter with the Chair and Chief Executive Officer of the Company, Mr Lin Shaoxiong (the “**CEO**”). The CEO assured the AC that Management was committed to and would provide all the necessary information and documents to the external auditors such that the audit of the consolidated financial statements of the Group for financial year ended 31 December 2014 would be completed timeously.

However, as can be seen from the Independent Auditor's Report, the basis for the Disclaimer of Opinion was due to insufficient appropriate audit evidence being made available to the external auditors.

The CEO had informed the AC that the inefficiency and deficiency in information provided to the external auditors was mainly due to the transition process from the previous Chief Financial Officer (who resigned in November 2014) to the current Chief Financial Officer (appointed in January 2015) being not as smooth as anticipated. Further, subsequent to her appointment, the current Chief Financial Officer had been on urgent leave of absence since mid-February 2015. During the Chief Financial Officer's absence, the level of guidance provided to the local finance team might have hampered timely information flow to the external auditors so as to accomplish the audit objectives.

The CEO has since confirmed that the Company would continue to work with the external auditors on the going concern assessment in detail and make available the necessary information. Further, the Company will appoint the external auditors to undertake and complete an interim audit such that an audit opinion can be issued on the consolidated financial statements of the Group in due course.

By Order of the Board
LIN SHAOXIONG
Chair and Chief Executive Officer
15 April 2015