



China Sports International Limited
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NEWS RELEASE

Positive Outcome From Breathable Shoes Patent Infringement Lawsuit

- Court ordered infringing parties to immediately cease production and marketing of products that infringed patented technology used in Yeli breathable shoes

SINGAPORE, 1 February 2012 – SGX Mainboard-listed China Sports International Limited (中国体育国际有限公司) (“**China Sports**”, and together with its subsidiaries, the “**Group**”), a branded sports fashion footwear and apparel company based in China would like to provide the following update to shareholders and the investment community regarding the positive outcome from a recent patent infringement lawsuit related to the Group’s breathable shoes’ design and technology.

On 14 May 2011, China Sports disclosed that the intellectual property utilised in Yeli breathable shoes (the “**Design Patent**”) belong to Mr Lin Yongjian (林永健) (the “**Licensor**”), the father of Mr Lin Shaoxiong (林少雄), our Chairman and Chief Executive Officer. The Licensor had on a goodwill basis allowed the Group to utilize the Design Patent free of charge until 30 September 2011. On 10 December 2011, China Sports entered into a Technology License Contract (the “**Contract**”) with the Licensor under which China Sports had been granted the license to use the patent technologies (including the Design Patent) by the Licensor. Pursuant to the Contract, China Sports has the right to sub-license the Design Patent to YELI Sports (China) Co., Ltd. (野力(中国)有限公司) (“**YELI Sports**”), its wholly-owned subsidiary of China Sports for its utilization.

Upon discovery that certain parties in China may be copying, manufacturing and marketing shoes with similar designs and features to Yeli breathable shoes, YELI Sports authorized the Licensor to initiate legal proceedings in Fujian Quanzhou Intermediate People’s Court in China (“**Quanzhou Court**”) against several infringers, including Fujian Bestwolf Sports Goods Co., Ltd. (福建鹰山狼体育用品有限公司) (“**Bestwolf**”) and Beijing Tian Lan Li Ze Trading Co., Ltd. (北京天兰丽泽商贸有限公司) (“**Tian Lan Li Ze**”) in order to protect the Design Patent utilized in Yeli breathable shoes.

Results of Legal Proceedings

The Quanzhou Court has ruled in favour of the Licensor while the first defendant, Bestwolf has been barred from producing any infringement products. Bestwolf is further obliged to destroy the remaining inventory and manufacturing mould and compensate the Licensor for the amount of RMB50,000. The second defendant, Tian Lan Li Ze, has also been barred from selling any infringing products.

After mediation by the Quanzhou Court, the Licensor settled the claims against the other infringers. Pursuant to the settlement, these infringers have undertaken not to infringe the Design Patent and have also agreed to make monetary compensation to the Licensor.

Pursuant to the terms of the Authorisation, the Licensor will pay all damages received in the legal proceedings to YELI Sports.

The CEO of China Sports, Mr Lin Shaoxiong said, “The fact that some other companies may be copying Yeli breathable shoe designs indicated the growing popularity of the products in China. However, together with the Licensor, we have invested a lot of time, effort and resources to develop the new range of Yeli breathable shoes using the patented health promoting shoe sole technology that has been licensed to our Group. As such, we are committed to protecting our rights and interests. With the positive outcome from the court ruling in China, we are pleased to see that we can continue to grow our business in a commercial environment that protects the rights of patent owners.”

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About China Sports International Limited

China Sports International Limited is principally engaged in the design, manufacture and sale of sports fashion footwear and design and sale of sports fashion apparel and accessories under its own YELI (野力) brand. The Group’s products are designed for both functional use and casual use, catering to the lifestyle of its targeted consumer group aged between 12 to 30 years old. The products are mainly sold through distributors who have a retail network of more than 2,015 points of sale throughout second, third and fourth tier cities in the PRC.

Note :

This release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic

conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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