



**CHINA SPORTS INTERNATIONAL LIMITED**  
 (Company Registration No: 39798)

**Unaudited Results for the First Quarter ended 31 March 2008**

The initial public offering of China Sports International Limited was sponsored by Stirling Coleman Capital Limited (the “Manager”). The Manager assumes no responsibility for the contents of this announcement.

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENT OF PROFIT AND LOSS FOR THE FIRST QUARTER, FOR THREE MONTHS ENDED 31 MARCH 2008**

(RMB '000)	First Quarter		Change %
	2008	2007	
Revenue	402,858	211,290	90.7
Cost of sales	(314,047)	(170,114)	84.6
<b>Gross profit</b>	<b>88,811</b>	<b>41,176</b>	<b>115.7</b>
Other operating income	992	32	3,000.0
	89,803	41,208	
Selling and distribution expenses	(19,525)	(3,942)	395.3
Administrative expenses	(6,879)	(756)	809.9
Finance costs	(171)	(135)	26.7
<b>Profit before income tax</b>	<b>63,228</b>	<b>36,375</b>	<b>73.8</b>
Taxation	(16,887)	(9,810)	72.1
<b>Profit after income tax</b>	<b>46,341</b>	<b>26,565</b>	<b>74.4</b>
Gross profit margin	22.0%	19.5%	
Profit before income tax margin	15.7%	17.2%	
Profit after income tax margin	11.5%	12.6%	

The Group’s operations are principally conducted in the People’s Republic of China (PRC). Accordingly, the consolidated financial statements have been prepared in Chinese Renminbi, being the measurement currency of the Group.

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**1(a)(ii) Other Information**

The Group's profit before income tax is arrived at after (charging)/crediting the following:-

(RMB '000)	First Quarter		Change %
	2008	2007	
<b>(a) Income statement includes the following:</b>			
Interest paid on borrowings	(171)	(135)	26.7
Depreciation of property, plant and equipment	(1,267)	(480)	164.0
Amortisation of land use rights	(16)	(16)	-
Amortisation of patents	(219)	-	100.0
Loss on disposal of fixed assets	(41)	-	100.0
Lease payments under operating lease for leasehold buildings	(590)	(249)	136.9
Salaries and related costs			
- Director remuneration	(471)	(15)	3,040.0
- Key personnel	(281)	(50)	462.0
<b>(b) Other operating income comprises:</b>			
Exchange gain	187	-	100.0
Interest income	805	32	2,415.6

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**1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

(RMB '000)	Group		Company	
	Unaudited As at 31/03/2008	Audited As at 31/12/2007	Unaudited As at 31/03/2008	Audited As at 31/12/2007
<b>Non-current assets</b>				
Property, plant and equipment	62,716	60,384	4	4
Land use rights/patent	8,352	8,571	-	-
Investment in subsidiary	-	-	375,222	375,222
	<u>71,068</u>	<u>68,955</u>	<u>375,226</u>	<u>375,226</u>
<b>Current assets</b>				
Inventories	24,303	22,309	-	-
Trade receivables	265,180	215,636	-	-
Prepayments, other receivables and deposits	9,546	9,380	5	2
Amount due from subsidiary	-	-	62,677	31,327
Cash and cash equivalents	472,176	418,354	8,375	9,554
	<u>771,205</u>	<u>665,679</u>	<u>71,057</u>	<u>40,883</u>
<b>Less: Current liabilities</b>				
Trade and bills payables	106,927	62,234	-	-
Accrued liabilities and other payables	54,850	40,378	3,388	2,170
Interest-bearing bank borrowings	8,560	8,560	-	-
Provision for income tax	16,887	12,960	-	-
	<u>187,224</u>	<u>124,132</u>	<u>3,388</u>	<u>2,170</u>
<b>Net current assets</b>	<u>583,981</u>	<u>541,547</u>	<u>67,669</u>	<u>38,713</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	-	1,794	-	-
<b>Net assets</b>	<u>655,049</u>	<u>608,708</u>	<u>442,895</u>	<u>413,939</u>
<b>Share capital and reserves</b>				
Share capital	26,419	26,419	26,419	26,419
Share premium	390,641	390,641	390,641	390,641
Merger reserves	801	801	-	-
Statutory reserves	35,833	35,833	-	-
Exchange reserves	(2,428)	(2,428)	330	330
Retained earnings	203,783	157,442	25,505	(3,451)
<b>Shareholders' equity</b>	<u>655,049</u>	<u>608,708</u>	<u>442,895</u>	<u>413,939</u>
Inventory turnover (days)	7	9		
Trade receivables turnover (days)	49	46		

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**1(b)(ii) Aggregate amount of Group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

	As at 31/3/2008		As at 31/12/2007	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing loans	8,560	-	8,560	-
	8,560	-	8,560	-

**Amount repayable after one year**

	As at 31/3/2008		As at 31/12/2007	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing loans	-	-	-	-
	-	-	-	-

**Details of any collateral**

The interest-bearing loans as at 31 March 2008 and 31 December 2007 are secured over the land use rights and buildings of our subsidiary Hengfa (Fujian) Light Industry Development Co., Limited.

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**1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>(RMB '000)</b>	<b>First Quarter</b>	
	<b>2008</b>	<b>2007</b>
<b>Cashflows from operating activities</b>		
Profit before income tax	63,228	36,375
Adjustments for:		
Interest income	(795)	(32)
Depreciation of property, plant and equipment	1,267	480
Amortisation of land use rights/patents	219	16
Interest expenses	171	135
Loss on disposal of fixed assets	41	-
Exchange difference in translation	-	1
Operating profit before working capital changes	64,131	36,975
Inventories	(1,994)	(17,076)
Trade receivables and other receivables	(49,710)	219
Trade and bills payables	44,693	16,236
Accrued liabilities and other payables	14,472	4,050
Cash generated from operations	71,592	40,404
Interest received	795	32
Interest paid	(171)	(135)
Income tax paid	(14,754)	(6,946)
<b>Net cash generated from operating activities</b>	<b>57,462</b>	<b>33,355</b>
<b>Cashflows from investing activities</b>		
Purchases of property, plant and equipment	(3,640)	(3,945)
<b>Cash used in investing activities</b>	<b>(3,640)</b>	<b>(3,945)</b>
<b>Cashflows from financing activities</b>		
Repayment of bank loans	-	(550)
<b>Cash used in financing activities</b>	<b>-</b>	<b>(550)</b>
<b>Net increase in cash and cash equivalents</b>	<b>53,822</b>	<b>28,860</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>418,354</b>	<b>21,756</b>
<b>Cash and cash equivalents at end of period</b>	<b>472,176</b>	<b>50,616</b>

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**1(d)(i) A statement (for the Group and Company) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>(RMB '000)</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Merger Reserves</b>	<b>Exchange Reserves</b>	<b>Statutory Reserve</b>	<b>Retained Profits</b>	<b>Total</b>
<b>Group</b>							
At 1 January 2007	18,874	66	-	-	20,302	17,884	57,126
Issue of shares	8,677	390,641	-	-	-	-	399,318
Transfer to merger reserves	-	-	801	-	-	-	801
Transfer to exchange reserves	-	-	-	-	-	-	-
Transfer to statutory reserves	-	-	-	-	15,531	(15,531)	-
Arising on translation differences	-	-	-	(2,429)	-	-	(2,429)
Adjustment of share capital arising from reorganisation	(1,132)	(66)	-	-	-	-	(1,198)
Net profit for the year	-	-	-	-	-	155,089	155,089
At 31 December 2007	<u>26,419</u>	<u>390,641</u>	<u>801</u>	<u>(2,429)</u>	<u>35,833</u>	<u>157,442</u>	<u>608,707</u>
At 1 January 2008	26,419	390,641	801	(2,429)	35,833	157,442	608,707
Net profit for the period	-	-	-	-	-	46,341	46,341
At 31 March 2008	<u>26,419</u>	<u>390,641</u>	<u>801</u>	<u>(2,429)</u>	<u>35,833</u>	<u>203,783</u>	<u>655,048</u>
<b>Company</b>							
Incorporated on 27 March 2007	-	-	-	-	-	-	-
Issue of shares	26,419	390,641	-	-	-	-	417,060
Transfer to exchange reserves	-	-	-	330	-	-	330
Net loss for the year	-	-	-	-	-	(3,451)	(3,451)
At 31 December 2007	<u>26,419</u>	<u>390,641</u>	<u>-</u>	<u>330</u>	<u>-</u>	<u>(3,451)</u>	<u>413,939</u>
At 1 January 2008	26,419	390,641	-	330	-	(3,451)	413,939
Net profit for the period	-	-	-	-	-	28,956	28,956
At 31 March 2008	<u>26,419</u>	<u>390,641</u>	<u>-</u>	<u>330</u>	<u>-</u>	<u>25,505</u>	<u>442,895</u>

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no new shares issued in the first quarter ended 31 March 2008 and no outstanding convertibles or treasury shares held as at 31 March 2008.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company's total issued shares as at 31 March 2008 and as at 31 December 2007 is 336,850,000 ordinary shares of HK\$0.08 each fully paid. There is no movement in the issued and paid-up capital of the company after 31 December 2007.

**1(d)(iv) A statement showing all sales, transfers disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computations for the current reporting period consistent with the most recently audited financial statement for the financial year ended 31 December 2007.

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5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	First Quarter	
	2008 <sup>^</sup>	2007 <sup>*</sup>
Profit after income tax (RMB'000)	46,341	26,565
Basic earning per share (RMB cents)	13.8	11.2

<sup>^</sup> The basic earnings per share is calculated based on profit after income tax divided by the weighted average ordinary shares during the period of 336,850,000 shares. There is no difference between the basic and diluted earnings per share.

<sup>\*</sup> For illustrative purposes, the basic earnings per share is calculated based on profit after income tax divided by the Pre-invitation ordinary shares of 236,850,000 were assumed to be issued. There is no difference between the basic and diluted earnings per share.

7. **Net asset value (for the Group and the Company) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group Unaudited	Group Audited	Company Unaudited	Company Audited
	As at 31 Mar 2008	As at 31 Dec 2007	As at 31 Mar 2008	As at 31 Dec 2007
Net assets value per share based on existing issued capital as at the respective period (RMB cents)	194.46	180.71	131.48	122.88
Issued share capital at the end of financial year	336,850,000	336,850,000	336,850,000	336,850,000

Net asset value per share is computed based on the number of issued shares of 336,850,000 as at 31 March 2008 (31 March 2007: 336,850,000).

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8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**Commentary on Financial Results**

**Revenue**

For the three months ended 31 March 2008 ("1Q 08"), the Group recorded revenue of approximately RMB 402.9 million, an increase of approximately RMB 191.6 million or 90.7% over revenue of approximately RMB 211.3 million for the previous corresponding period. The increase in revenue was mainly attributable to the expansion of our distribution network, the increase in the average selling price of our footwear products and the increase in sales of YELI apparel.

*Breakdown of Revenue by Business Lines:*

<b>(RMB million)</b>	<b>1Q 08</b>	<b>%</b>	<b>1Q 07</b>	<b>%</b>
YELI products	318.5	79.1	155.8	73.7
OEM footwear	84.4	20.9	55.5	26.3
Total Sales	402.9	100.0	211.3	100.0

In 1Q 08, sales of YELI products increased by approximately RMB 162.7 million due mainly to the successful implementation of our Group's strategy to increase the sale of our YELI products. The proportion of sales of YELI products over total sales increased to approximately 79.1% in 1Q 08 from 73.7% in 1Q 07.

*Breakdown of YELI revenue by product segment:*

<b>(RMB million)</b>	<b>1Q 08</b>	<b>%</b>	<b>1Q 07</b>	<b>%</b>
Footwear	250.9	78.8	125.8	80.7
Apparel	67.6	21.2	30.0	19.3
Total YELI	318.5	100.0	155.8	100.0

In 1Q 08, our YELI apparel sales was approximately RMB 67.6 million which represented approximately 21.2% of our YELI revenue or approximately 16.7% of our total revenue as compared to only approximately 13.7% of our total revenue in FY2007.

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*Breakdown of YELI revenue by region:*

<b>(RMB million)</b>	<b>1Q 08</b>	<b>%</b>	<b>1Q 07</b>	<b>%</b>
Domestic sales	282.3	88.6	125.9	80.8
Export sales	36.2	11.4	29.9	19.2
Total YELI	318.5	100.0	155.8	100.0

*Number of sales outlets for our YELI products in the PRC:*

	<b>1Q 08</b>	<b>1Q 07</b>	<b>Growth</b>
Point of Sales	Over 2,100*	Over 1,650*	27.3%

\* The above numbers were compiled by aggregating the number of sales outlets provided by each of our distributors.

*Average selling price ("ASP") of footwear:*

<b>RMB</b>	<b>1Q 08</b>	<b>1Q 07</b>	<b>Growth</b>
YELI	71.5	57.3	24.8%
OEM	65.2	61.5	6.0%

The distribution network for our YELI products in PRC increased from over 1,650 sales points in 1Q 07 to more than 2,100 sales points as at 31 March 2008. With the increasing awareness of our YELI brand, we were able to increase the ASP of our YELI footwear products in 1Q 08 by approximately 24.8% over 1Q 07. The ASP of OEM product had also increased by approximately 6.0% over 1Q 07. It is the Group strategy to only maintaining the production of OEM products with higher margins.

**Cost of goods solds and gross profit margin**

In line with the increase in revenue, our cost of sales increased by approximately RMB 143.9 million or 84.5% from approximately RMB 170.1 million in 1Q 07 to approximately RMB 314.0 million in 1Q 08.

The subcontracting cost of the footwear and apprael increased by approximately RMB 96.0 million or 148.1% from approximately RMB 64.8 million in 1Q 07 to approximately RMB 160.8 million in 1Q 08. The increase was mainly due to the increase in sales of apparel (production of which are completely outsourced) and increased in sales volume of footwear (part of its production were outsourced).

Our gross profit increased by approximately RMB 47.6 million or 115.7% from approximately RMB 41.2 million in 1Q 07 to approximately RMB 88.8 million in 1Q 08. Our gross profit margin increased from approximately 19.5% in 1Q 07 to approximately 22.0% in 1Q 08. The increase was mainly attributable to the increase in sales of our YELI apparel which had better margins and the increase in the ASP of our YELI footwear. The increase was partially offset by the decrease in OEM footwear gross profit margins as the increase in ASP of OEM footwear was unable to cover the increase in cost for OEM footwear.

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*Gross Profit Margin:*

<b>RMB</b>	<b>1Q 08</b>	<b>1Q 07</b>	<b>Growth</b>
YELI – Footwear	21.7%	17.4%	4.3%
OEM – Footwear	14.2%	16.9%	(2.7)%
YELI – Apparel	33.2%	33.3%	(0.1)%

**Other operating income**

Other operating income comprise of mainly interest income from bank deposits.

**Operating expenses**

Operating expenses increased by approximately RMB 23.2 million or 493.6% from approximately RMB 4.7 million in 1Q 07 to approximately RMB 27.9 million in 1Q 08. As a percentage of revenue, operating expenses has increased to approximately 6.9% in 1Q 08 from approximately 2.2% in 1Q 07.

Selling and distribution costs increased by approximately RMB 15.6 million or 395.3% from approximately RMB 3.9 million in 1Q 07 to approximately RMB 19.5 millions in 1Q 08. The increase was due mainly to increase in advertising and promotion expenses of approximately RMB 15.6 million incurred in promoting our products to increase our YELI brand value. Selling and distribution costs accounted for approximately 4.8% of our revenue in 1Q 08 up from approximately 1.9% in 1Q 07.

Administrative expenses increased by approximately RMB 6.1 million or 809.9% from approximately RMB 0.8 million in 1Q 07 to approximately RMB 6.9 million in 1Q 08. The increase was due mainly to professional and consultancy expenses and expenses incurred for investor relationship and maintaining listing status of approximately RMB 2.3 million, increase in payroll of key executives and the director's remuneration and headcounts and related expenses of approximately RMB 1.1 million, the withholding tax for proposed dividend by our Group's subsidiary charged by the PRC government of approximately RMB 1.7 million, the amortisation of the patent rights and fixed assets of approximately RMB 0.4 million and rental expense of approximately RMB 0.4 million incurred for our new office.

**Finance costs**

Finance costs in 1Q 08 of approximately RMB 0.2 million, which was slightly higher than 1Q 07. The increase was mainly due to higher interest rate charged by the bank.

**Income Tax**

Income tax expense increased by approximately RMB 7.1 million or 72.4% from approximately RMB 9.8 million in 1Q 07 to approximately RMB 16.9 million in 1Q 08. The increase was due mainly to the increase in profit before tax in 1Q 08. The effective tax rate of 27% in 1Q 08 was similar to 1Q 07.

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Commentary on Financial Position**

**Non Current Assets**

Net book value of property, plant and equipment increased by approximately RMB 2.3 million from approximately RMB 60.4 million as at 31 December 2007 to approximately RMB 62.7 million as at 31 March 2008. This was mainly attributed to the acquisition of new production lines relating to the extension of the production floor in 2008.

Land use rights and intangible assets decreased by approximately RMB 0.2 million from approximately RMB 8.6 million as at 31 December 2007 to approximately RMB 8.4 million as at 31 March 2008 due to the amortisation of land use rights and intangible assets.

**Current Assets**

Inventories, comprised mainly of raw materials, increased slightly by approximately RMB 2.0 million from approximately RMB 22.3 million as at 31 December 2007 to approximately RMB 24.3 million as at 31 March 2008. The increase was in anticipation of the expected increase in demand from customers in the following quarter.

Trade receivables increased from approximately RMB 215.6 million as at 31 March 2007 to approximately RMB 265.2 million as at 31 March 2008 due mainly to the increase in our revenue and longer credit terms given to our distributors to align with market conditions.

As at 31 March 2008, we had cash and cash equivalents of approximately RMB 472.2 million . The increase in cash and cash equivalents was due mainly to the net cash generated from operating activities. (Please refer to the statement of cash flow on page 5 for further details).

**Current Liabilities**

Trade payables and bills payables increased from approximately RMB 62.2 million as at 31 December 2007 to approximately RMB 106.9 million as at 31 March 2008 due to the increase in purchases of raw material to meet the anticipated increase in demand from customers.

Accruals and other payables increased from approximately RMB 40.4 million as at 31 December 2007 to approximately RMB 54.9 million as at 31 March 2008. The increase was due to the expansion of operations to meet the increased demand from customers.

As at 31 March 2008, we had bank borrowings of approximately RMB 8.6 million. Our bank borrowings remained the same as at 31 December 2007.

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**9. Use of IPO Proceeds**

The following table details the utilisation of IPO proceeds up to 31 March 2008:

No.	Planned Usage	IPO Proceeds (RMB million)	Cumulative Amount used (RMB million)	Balance (RMB million)
1.	Acquisition and/or construction of new manufacturing facilities, addition of new production lines and upgrading of manufacturing facilities	110.1	49.9	60.2
2.	Advertising and promotion activities	40.0	40.0	0.0
3.	Expansion of distribution network and increase of sales channel	40.0	8.5	31.5
4.	Enhance product design and development efforts	30.0	11.6	18.4
5.	General working capital	153.7	153.7	0.0
		<b>373.8</b>	<b>263.7</b>	<b>110.1</b>

**10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**11. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group believes that major sporting events such as the upcoming 2008 Beijing Olympic Games, the 2010 Guangzhou Asian Games and 2011 Shenzhen World University Games as well as the sustained growth of the PRC economy which resulted in higher purchasing power will continue to underpin demand for sporting goods in the PRC. To capitalise on these growth opportunities, we will continue to focus on network expansion, product development and enhancement as well as enhancing our YELI brand value through advertising and promotion.

We added approximately 100 new point of sales in 1Q 08 with total point of sales reaching approximately 2100 as at the end of March 2008. We are pleased to see that majority of the point of sales added in 1Q08 are new generation specialty stores located at street level with larger display area than the existing shop-in-shops which are located within malls and departmental stores. We believe that the larger new generation specialty stores will help to increase YELI brand visibility and provide a good platform to introduce our expanding product range for footwear and apparel as well as the impending launch of our new accessories product line. We intend to continue expanding our point of sales by setting up both shop-in-shops and the new generation specialty stores through existing or new distributors and retailers.

Since expanding our in-house product development team in 2007, we have enhanced our ability to introduce new and broader range of footwear and apparel with trendy and fashionable designs which we believe will appeal to our target consumers. During the recent trade-fair held

in April 2008, we introduced more than 100 new footwear designs and approximately 200 new apparel designs and have received encouraging orders from our distributors.

In 2008, we intend to increase our advertising and promotion expenses to strengthen YELI brand value and enhance brand visibility. We believe that growing YELI brand value will enable us to raise the selling price of our YELI products subsequently. We sold approximately 12 million pairs of YELI shoes in 2007. With the sizeable and growing sales volume, we should be able to enjoy economies of scale and operating leverage as we increase the selling price of our YELI products.

We will continue to leverage on various forms of advertising avenues to grow our YELI brand value and market share. We have signed an agreement to become the official sponsor for sportswear, apparel and accessories for the Slovak Republic olympic team for the upcoming Beijing 2008 Olympic Games. We have also established co-operation with two of the leading websites in the PRC [www.sohu.com](http://www.sohu.com) and [www.sports.cn](http://www.sports.cn) which will be the main platforms delivering online Beijing 2008 Olympic related news. Our YELI brand logo, hyperlink to our corporate website and internet advertising banners will be featured in both websites. In addition to HunanTV, we have also started to advertise through CCTV, the national TV channel, which will provide an additional platform to increase YELI brand visibility and attract new distributors from other provinces in the PRC which we have not penetrated yet.

Barring unforeseen circumstances, we are optimistic about our performance for FY2008.

**12. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

None.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

***(c) Date payable***

Not Applicable.

***(d) Books closure date***

Not Applicable.

**13. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been recommended or declared for the quarter ended 31 March 2008.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**BUSINESS SEGMENTS**

The Group is engaged in only one business segment which is the design, manufacture and sales of sports fashion footwear and the design and sales of sports fashion apparel which has identical risk and returns.

**GEOGRAPHICAL SEGMENTS**

All of our assets and liabilities are located in the PRC, as such no geographical segment results are presented.

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

16. **A breakdown of sales.**

*Breakdown of Revenue by Geographical Regions:*

<b>(RMB million)</b>	<b>1Q 08</b>	<b>%</b>	<b>1Q 07</b>	<b>%</b>
Domestic Sales	300.0	74.5	125.9	59.6
Export Sales	102.9	25.5	85.4	40.4
Total Sales	402.9	100.0	211.3	100.0

17. **Interested Person Transaction**

There is no interested person transaction since 31 December 2007.

**18. Negative Assurance**

**Statement Pursuant to SGX Listing Rule 705(4) of the Listing Manual**

We, Lin Shaoxiong and Lin Shaoqin, being two directors of China Sports International Limited (the "Company"), do hereby confirm that to the best knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the first quarter ended 31 March 2008 to be false or misleading.

On behalf of the Board of Directors

Lin Shaoxiong  
Chief Executive Officer

Lin Shaoqin  
Executive Director

Singapore  
14 May 2008

**BY ORDER OF THE BOARD**

**Lin Shaoxiong**  
**Chief Executive Officer**  
**14 May 2008**