

Company Name : MULTI SPORTS HOLDINGS LTD
 Stock Name : MSPORTS
 Financial Period Ended : 31 DECEMBER 2009
 Quarter : 4

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

PARTICULARS	NOTE	UNAUDITED AS AT 31-Dec-09 RMB'000	AUDITED AS AT 31-Dec-08 (1) RMB'000	UNAUDITED AS AT 31-Dec-09 RM'000 (2)	AUDITED AS AT 31-Dec-08 (1) RM'000 (2)
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment		105,765	39,360	53,052	19,743
Intangible asset		23,614	4,719	11,845	2,367
		<u>129,379</u>	<u>44,079</u>	<u>64,897</u>	<u>22,110</u>
Current assets					
Inventories		12,160	10,988	6,099	5,512
Trade receivables		63,374	37,736	31,788	18,928
Prepayment and other receivables		22,100	2,626	11,085	1,317
Cash and bank balances		160,706	29,943	80,610	15,019
		<u>258,340</u>	<u>81,293</u>	<u>129,582</u>	<u>40,776</u>
Current liabilities					
Trade payables		29,655	24,336	14,875	12,207
Accrued liabilities and other payables		21,751	23,913	10,910	11,995
Amount owing to a shareholder cum director		18,377	-	9,218	-
Income tax payable		11,388	3,888	5,712	1,950
		<u>81,171</u>	<u>52,137</u>	<u>40,715</u>	<u>26,152</u>
Net current assets		<u>177,169</u>	<u>29,156</u>	<u>88,867</u>	<u>14,624</u>
Non-current liability					
Amount owing to a shareholder cum director		-	17,735	-	8,896
Net assets		<u>306,548</u>	<u>55,500</u>	<u>153,764</u>	<u>27,838</u>
EQUITY					
Share capital		123,178	11	61,786	5
Reserve		238,286	55,489	119,524	27,833
Merger deficit		(54,916)	-	(27,546)	-
Total equity		<u>306,548</u>	<u>55,500</u>	<u>153,764</u>	<u>27,838</u>
Net Assets per share attributable to equity holders of the Group (RMB / RM)	B12	0.95	0.17	0.48	0.09

The unaudited and audited condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Combined Financial Statement for the financial year ended 31 December 2008 and the accompanying notes to the unaudited interim financial report.

Notes :

- (1) The condensed Combined Statement of Financial Position are prepared in accordance with INT FRS 12 Consolidation - Special Purpose Entities and based on the combined results of Multi Sports Holdings Ltd ("MSPORTS") and its subsidiaries (MSPORTS GROUP). MSPORTS completed its restructuring only on 15 July 2009.
- (2) The presentation currency of this unaudited interim financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") shown is for reference only and is based on the exchange rate of RMB1 to RM0.5016 as at 31 December 2009.

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 Financial Period Ended : 31 DECEMBER 2009
 Quarter : 4

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		CURRENT QUARTER	PRECEDING YEAR	CURRENT QUARTER	PRECEDING YEAR
		31-Dec-09	CORRESPONDING QUARTER (1) 31-Dec-08	31-Dec-09	CORRESPONDING QUARTER (1) 31-Dec-08
		RMB'000	RMB'000	RM'000 (2)	RM'000 (2)
Revenue		160,033	100,434	80,272	50,378
Cost of sales		(104,552)	(66,228)	(52,443)	(33,220)
Gross Profit		55,481	34,206	27,829	17,158
Other income		183	1,321	92	663
Selling and distribution expenses		(2,789)	(1,676)	(1,399)	(841)
Administrative expenses		(4,624)	(1,755)	(2,319)	(880)
Finance costs		(260)	-	(130)	-
Profit before taxation		47,991	32,096	24,073	16,100
Income tax expenses		(6,248)	(3,888)	(3,134)	(1,950)
Profit after taxation		41,743	28,208	20,939	14,150
Other comprehensive income / (expense) after tax:					
Exchange difference on translation		-	(2)	-	(1)
Other comprehensive income / (expense) for the period, net of tax		-	(2)	-	(1)
Total comprehensive income for the period		41,743	28,206	20,939	14,149
Profit attributable to :					
- Equity holders of the Group		41,473	28,208	20,939	14,150
Total comprehensive income attributable to :					
- Equity holders of the Group		41,473	28,206	20,939	14,149

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER (1)	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER (1)
		31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
		RMB'000	RMB'000	RM'000 (2)	RM'000 (2)
Earnings per share attributable to equity holders of the Group (sen) :					
Basic (RMB / RM)	B12	0.13	0.09	0.06	0.04
Diluted (RMB / RM)	B12	N/A	N/A	N/A	N/A

The unaudited condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Combined Financial Statement for the financial year ended 31 December 2008 and the accompanying notes to the unaudited interim financial report.

Notes :

- (1) *The condensed Combined Statement of Comprehensive Income are prepared in accordance with INT FRS 12 Consolidation - Special Purpose Entities and based on the combined results of Multi Sports Holdings Ltd ("MSPORTS") and its subsidiaries (MSPORTS GROUP). MSPORTS completed its restructuring only on 15 July 2009.*
- (2) *The presentation currency of this unaudited interim financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") shown is for reference only and is based on the exchange rate of RMB1 to RM0.5016 as at 31 December 2009.*

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Company Name : MULTI SPORTS HOLDINGS LTD
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 Financial Period Ended : 31 DECEMBER 2009
 Quarter : 4

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		CURRENT	PRECEDING	CURRENT	PRECEDING
		YEAR	YEAR	YEAR	YEAR
		TO DATE	CORRESPONDING	TO DATE	CORRESPONDING
		31-Dec-09	PERIOD (1)	31-Dec-09	PERIOD (1)
			31-Dec-08		31-Dec-08
		RMB'000	RMB'000	RM'000 (2)	RM'000 (2)
Revenue		474,187	385,310	237,852	193,271
Cost of sales		(313,303)	(269,661)	(157,153)	(135,262)
Gross Profit		160,884	115,649	80,699	58,009
Other income		813	1,773	408	889
Selling and distribution expenses		(7,600)	(5,982)	(3,812)	(3,000)
Administrative expenses		(21,690)	(6,242)	(10,880)	(3,131)
Finance costs		(1,113)	-	(558)	-
Profit before taxation		131,294	105,198	65,857	52,767
Income tax expenses		(18,186)	(13,018)	(9,122)	(6,530)
Profit after taxation		113,108	92,180	56,735	46,237
Other comprehensive income / (expense) after tax:					
Exchange difference on translation		-	(2)	-	(1)
Other comprehensive income / (expense) for the year, net of tax		-	(2)	-	(1)
Total comprehensive income for the year		113,108	92,178	56,735	46,236
Profit attributable to :					
- Equity holders of the Group		113,108	92,180	56,735	46,237
Total comprehensive income attributable to :					
- Equity holders of the Group		113,108	92,178	56,735	46,236

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED CURRENT YEAR TO DATE 31-Dec-09	AUDITED PRECEDING YEAR CORRESPONDING PERIOD (1) 31-Dec-08	UNAUDITED CURRENT YEAR TO DATE 31-Dec-09	AUDITED PRECEDING YEAR CORRESPONDING PERIOD (1) 31-Dec-08
		RMB'000	RMB'000	RM'000 (2)	RM'000 (2)
Earnings per share attributable to equity holders of the Group (sen) :					
Basic (RMB / RM)	B12	0.35	0.29	0.18	0.14
Diluted (RMB / RM)	B12	N/A	N/A	N/A	N/A

The unaudited and audited condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Combined Financial Statement for the financial year ended 31 December 2008 and the accompanying notes to the unaudited interim financial report.

Notes :

- (1) *The condensed Combined Statement of Comprehensive Income are prepared in accordance with INT FRS 12 Consolidation - Special Purpose Entities and based on the combined results of Multi Sports Holdings Ltd ("MSPORTS") and its subsidiaries (MSPORTS GROUP). MSPORTS completed its restructuring only on 15 July 2009.*
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Financial Period Ended : 31 DECEMBER 2009
Quarter : 4

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2009

	Attributable to Equity Holders of The Group						
	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Merger Deficit RMB'000	Currency Translation Reserve RMB'000	Retained Earnings RMB'000	Total RMB'000
Balance At 1 January 2009	-	-	13,184	-	3	42,302	55,489
Currency translation reserve	-	-	-	-	(3)	3	-
Net (loss) / gain recognized directly in equity	-	-	-	-	(3)	3	-
Net profit for the year	-	-	-	-	-	113,108	113,108
Total recognized income and expense for the period	-	-	-	-	(3)	113,111	113,108
Issue of shares	123,178	74,910	-	-	-	-	198,088
Share issue expenses	-	(5,221)	-	-	-	-	(5,221)
Merger deficit arising from restructuring	-	-	-	(54,916)	-	-	(54,916)
Transfer to statutory reserve	-	-	10,169	-	-	(10,169)	-
At 31 December 2009	123,178	69,689	23,353	(54,916)	-	145,244	306,548

	Attributable to Equity Holders of The Group						
	Share Capital RM'000 (1)	Share Premium RM'000 (1)	Statutory Reserve RM'000 (1)	Merger Deficit RM'000 (1)	Currency Translation Reserve RM'000 (1)	Retained Earnings RM'000 (1)	Total Equity RM'000 (1)
Balance At 1 January 2009	-	-	6,613	-	1	21,219	27,833
Currency translation reserve	-	-	-	-	(1)	1	-
Net (loss) / gain recognized directly in equity	-	-	-	-	(1)	1	-
Net profit for the year	-	-	-	-	-	56,735	56,735
Total recognized income and expense for the period	-	-	-	-	(1)	56,736	56,735
Issue of shares	61,786	37,575	-	-	-	-	99,361
Share issue expenses	-	(2,619)	-	-	-	-	(2,619)
Merger deficit arising from restructuring	-	-	-	(27,546)	-	-	(27,546)
Transfer to statutory reserve	-	-	5,101	-	-	(5,101)	-
At 31 December 2009	61,786	34,956	11,714	(27,546)	-	72,854	153,764

The unaudited condensed Consolidated Changes of Equity should be read in conjunction with the audited Combined Financial Statements for the financial year ended 31 December 2008 and the accompanying notes to the unaudited interim financial report.

Note :

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Company Name : MULTI SPORTS HOLDINGS LTD
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 Financial Period Ended : 31 DECEMBER 2009
 Quarter : 4

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2008

	← Attributable to Equity Holders of The Group →						
	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Merger Deficit RMB'000	Currency Translation Reserve RMB'000	Retained Earnings RMB'000	Total RMB'000
Balance At 1 January 2008	11	-	13,184	-	1	40,122	53,318
Currency translation reserve	-	-	-	-	2	-	2
Net gain recognized directly in equity	-	-	-	-	2	-	2
Net profit for the year	-	-	-	-	-	92,180	92,180
Total recognized income for the year	-	-	-	-	2	92,180	92,182
Dividend paid	-	-	-	-	-	(90,000)	(90,000)
At 31 December 2008	11	-	13,184	-	3	42,302	55,500

	← Attributable to Equity Holders of The Group →						
	Share Capital RM'000 (1)	Share Premium RM'000 (1)	Statutory Reserve RM'000 (1)	Merger Deficit RM'000 (1)	Currency Translation Reserve RM'000 (1)	Retained Earnings RM'000 (1)	Total Equity RM'000 (1)
Balance At 1 January 2008	5	-	6,614	-	-	20,125	26,744
Currency translation reserve	-	-	-	-	1	-	1
Net gain recognized directly in equity	-	-	-	-	1	-	1
Net profit for the year	-	-	-	-	-	46,237	46,237
Total recognized income for the year	-	-	-	-	1	46,237	46,238
Dividend paid	-	-	-	-	-	(45,144)	(45,144)
At 31 December 2008	5	-	6,614	-	1	21,218	27,838

The audited condensed Consolidated Changes of Equity should be read in conjunction with the audited Combined Financial Statements for the financial year ended 31 December 2008 and the accompanying notes to the unaudited interim financial report.

Note :

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2009

	UNAUDITED CURRENT YEAR TO DATE 31-Dec-09 RMB'000	AUDITED PRECEDING YEAR CORRESPONDING PERIOD (1) 31-Dec-08 RMB'000	UNAUDITED CURRENT YEAR TO DATE 31-Dec-09 RM'000 (2)	AUDITED PRECEDING YEAR CORRESPONDING PERIOD (1) 31-Dec-08 RM'000 (2)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	131,294	105,198	65,857	52,767
Adjustments for :-				
Depreciation of property, plant and equipment	8,641	9,383	4,334	4,707
Amotisation of land use right	95	24	48	12
Exchange difference on translation	-	2	-	1
Interest income	(446)	(239)	(224)	(120)
Interest expense	1,113	-	558	-
Operating profit before working capital changes	140,697	114,368	70,573	57,367
Increase in inventories	(1,172)	(1,511)	(588)	(758)
Increase in trade receivables	(25,638)	(4,128)	(12,860)	(2,071)
Increase in prepayments and other receivables	(19,475)	(1,602)	(9,769)	(803)
Increase / (Decrease) in trade payables	5,319	(254)	2,668	(127)
Increase in accrued liabilities and other payables	7,270	1,866	3,647	936
Net cash generated from operations	107,001	108,739	53,671	54,544
Income tax paid	(10,686)	(9,131)	(5,360)	(4,580)
Interest received	446	239	224	120
Interest paid	(1,113)	-	(558)	-
Net cash generated from operating activities	95,648	99,847	47,977	50,084
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(75,046)	(6,636)	(37,643)	(3,329)
Acquisition of land use rights	(18,989)	(4,743)	(9,525)	(2,379)
Proceeds from share issued to swap redeemable convertible loan stock	48,539	-	24,347	-
Net cash used in investing activities	(45,496)	(11,379)	(22,821)	(5,708)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from shares issued	94,622	-	47,462	-
Shares issue expenses written off to share premium account	(5,221)	-	(2,619)	-
Exchange difference arising from shareholder's loan	(12)	(1,060)	(6)	(532)
Repayment of advances from related parties	-	(828)	-	(415)
Advances from a shareholder cum director	655	9,433	329	4,731
Repayment of advances from a shareholder cum director	(9,433)	-	(4,731)	-
Payment of dividends	-	(90,000)	-	(45,144)
Net cash generated from / (used in) financing activities	80,611	(82,455)	40,435	(41,360)

	UNAUDITED CURRENT YEAR TO DATE 31-Dec-09 RMB'000	AUDITED PRECEDING YEAR CORRESPONDING PERIOD (1) 31-Dec-08 RMB'000	UNAUDITED CURRENT YEAR TO DATE 31-Dec-09 RM'000 (2)	AUDITED PRECEDING YEAR CORRESPONDING PERIOD (1) 31-Dec-08 RM'000 (2)
NET INCREASE IN CASH AND CASH EQUIVALENTS	130,763	6,013	65,591	3,016
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	29,943	23,930	15,019	12,003
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	160,706	29,943	80,610	15,019

Cash and cash equivalents comprise:

Cash and bank balances	160,706	29,943	80,610	15,019
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The unaudited and audited condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Combined Financial Statements for the financial year ended 31 December 2008 and the accompanying notes to the unaudited interim financial report.

Notes :

- (1) *The condensed Combined Cash Flow Statements are prepared in accordance with INT FRS 12 Consolidation - Special Purpose Entities and based on the combined results of Multi Sports Holdings Ltd ("MSPORTS") and its subsidiaries (MSPORTS GROUP). MSPORTS completed its restructuring only on 15 July 2009.*
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A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

1. Basis of accounting and changes in accounting estimates

a) Basis of accounting

The interim financial reports are unaudited and have been prepared in accordance with the requirements of International Accounting Standard (“IAS”) 34 : Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, and should be read in conjunction with the Group’s audited combined financial statements for the financial year ended 31 December 2008, Prospectus dated 30 July 2009 and the accompanying explanatory notes attached to this interim financial report.

b) Changes in accounting policies

At the date of this report, certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group’s accounting periods after 1 January 2009 or later periods.

The management does not anticipate that the adoption of the above IFRSs (including consequential amendments) and interpretations will result in any material impact to the financial statements in the period of initial application.

2. Seasonality or cyclicity of operation

The business of the Group was not affected by any significant seasonal and cyclical factors during the period under review.

3. Unusual items

Save as disclosed under note B8, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

4. Changes in estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

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5. Changes in share capital and debts

Save as disclosed below, there were no issuances, cancellations, resale and repayments of debt and equity securities for the current financial year to date.

Date	Particulars	Number of Shares	USD
18/09/08	Incorporation	-	-
14/10/08	Issue with nil paid	100	-
28/05/09	100 shares were paid-up via cash consideration of USD1.00 and consolidated of every 5 existing ordinary shares	20	1
15/07/09	Issued pursuant to Acquisition of Paksing	302,399,980	15,119,999
18/08/09	Issue pursuant to the Public Issue	57,600,000	2,880,000
		360,000,000	18,000,000

6. Dividends

No dividends were proposed by the Board of Directors for the current quarter and financial year-to-date.

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7. Segment Information

Business Segments

Financial year from 1 January 2009 to 31 December 2009 (Unaudited)

	TPR	RB	MD1	MD2	TOTAL
	Shoe soles	Shoe soles	Shoe soles	Shoe soles	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue:					
- External sales	48,477	11,256	180,631	233,823	474,187
Results:					
Interest income	35	8	129	168	340
Interest expenses	113	27	424	549	1,113
Depreciation and amortisation	891	208	3,329	4,308	8,736
Segment profit	14,826	3,466	55,410	71,701	145,403

Financial year ended 31 December 2009 (Unaudited)

Assets:					
Additions to non-current assets *	9,589	2,242	35,834	46,370	94,035
Reportable segment assets	39,691	9,279	148,335	191,950	389,255
Reportable segment liabilities	16,556	3,870	61,873	80,066	162,365

* - Addition to non-current assets consist of additions to property, plant and equipment and land use rights.

Cumulative fourth quarter ended 31 December 2009 RMB'000 (Unaudited)

Profit or loss	
Total profit for reportable segments	145,403
Unallocated interest income	107
Unallocated other incomes	53
Unallocated other expenses	(14,269)
Profit from operations	131,294

As at 31 December 2009 RMB'000 (Unaudited)

Assets	
Total assets for reportable segments	389,255
Unallocated asset	188,989
Elimination of intercompany balance	(190,525)
Group assets	387,719
Liabilities	
Total liabilities for reportable segments	162,365
Unallocated liabilities	109,325
Elimination of intercompany balance	(190,519)
Group liabilities	81,171

Business Segments
**Financial year from 1 January 2009 to 31 December 2009
(Unaudited)**

	TPR	RB	MD1	MD2	TOTAL
	Shoe soles	Shoe soles	Shoe soles	Shoe soles	
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:					
- External sales	24,316	5,646	90,604	117,286	237,852
Results:					
Interest income	18	4	65	84	171
Interest expenses	57	13	213	275	558
Depreciation and amortisation	447	104	1,670	2,161	4,382
Segment profit	7,437	1,739	27,794	35,965	72,935

**Financial year ended 31 December 2009
(Unaudited)**

Assets:					
Additions to non-current assets *	4,810	1,124	17,974	23,260	47,168
Reportable segment assets	19,909	4,654	74,404	96,282	195,249
Reportable segment liabilities	8,304	1,941	31,035	40,161	81,441

* - Addition to non-current assets consist of additions to property, plant and equipment and land use rights.

**Cumulative fourth
quarter ended
31 December 2009
RM'000
(Unaudited)**

<u>Profit or loss</u>	
Total profit for reportable segments	72,935
Unallocated interest income	53
Unallocated other incomes	26
Unallocated other expenses	(7,157)
Profit from operations	65,857

**As at
31 December 2009
RM'000
(Unaudited)**

<u>Assets</u>	
Total assets for reportable segments	195,249
Unallocated asset	94,797
Elimination of intercompany balance	(95,567)
Group assets	194,479

<u>Liabilities</u>	
Total liabilities for reportable segments	81,441
Unallocated liabilities	54,838
Elimination of intercompany balance	(95,564)
Group liabilities	40,715

Business Segments
**Financial year from 1 January 2008 to 31 December 2008
 (Audited)**

	TPR	RB	MD1	MD2	TOTAL
	Shoe soles	Shoe soles	Shoe soles	Shoe soles	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue:					
- External sales	46,428	9,236	181,183	148,463	385,310
Results:					
Interest income	29	6	112	92	239
Depreciation and amortisation	1,136	231	4,407	3,633	9,407
Segment profit	12,572	2,558	48,795	40,222	104,147

**Financial year ended 31 December 2008
 (Audited)**

Assets:					
Additions to non-current assets *	1,374	280	5,331	4,394	11,379
Reportable segment assets	15,135	3,079	58,738	48,418	125,370
Reportable segment liabilities	6,294	1,281	24,428	20,136	52,139

* - Addition to non-current assets consist of additions to property, plant and equipment and land use rights.

**Cumulative fourth
 quarter ended
 31 December 2008
 RMB'000
 (Audited)**

Profit or loss	
Total profit for reportable segments	104,147
Unallocated other incomes	1,060
Unallocated other expenses	(9)
Profit from operations	105,198

**As at
 31 December 2008
 RMB'000
 (Audited)**

Assets	
Total assets for reportable segments	125,370
Unallocated asset	4
Elimination of intercompany balance	(2)
Group assets	125,372

Liabilities	
Total liabilities for reportable segments	52,139
Unallocated liabilities	17,735
Elimination of intercompany balance	(2)
Group liabilities	69,872

Business Segments
Financial year from 1 January 2008 to 31 December 2008

	(Audited)				
	TPR	RB	MD1	MD2	TOTAL
	Shoe soles RM'000	Shoe soles RM'000	Shoe soles RM'000	Shoe soles RM'000	RM'000
Revenue:					
- External sales	23,288	4,633	90,881	74,469	193,271
Results:					
Interest income	15	3	56	46	120
Depreciation and amortisation	570	116	2,211	1,822	4,719
Segment profit	6,306	1,283	24,475	20,175	52,239

Financial year ended 31 December 2008

	(Audited)				
Assets:					
Additions to non-current assets *	689	141	2,674	2,204	5,708
Reportable segment assets	7,592	1,544	29,463	24,286	62,885
Reportable segment liabilities	3,157	643	12,253	10,100	26,153

* - Addition to non-current assets consist of additions to property, plant and equipment and land use rights.

	Cumulative fourth quarter ended 31 December 2008 RM'000 (Audited)
<u>Profit or loss</u>	
Total profit for reportable segments	52,239
Unallocated other incomes	532
Unallocated other expenses	(4)
Profit from operations	52,767
	As at 31 December 2008 RM'000 (Audited)
<u>Assets</u>	
Total assets for reportable segments	62,885
Unallocated asset	2
Elimination of intercompany balance	(1)
Group assets	62,886
<u>Liabilities</u>	
Total liabilities for reportable segments	26,153
Unallocated liabilities	8,896
Elimination of intercompany balance	(1)
Group liabilities	35,048

Business Segments
**Financial period from 1 October 2009 to 31 December 2009
(Unaudited)**

	TPR	RB	MD1	MD2	TOTAL
	Shoe soles	Shoe soles	Shoe soles	Shoe soles	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue:					
- External sales	15,419	4,876	52,416	87,322	160,033
Results:					
Interest income	14	5	51	85	155
Interest expenses	25	8	85	143	261
Depreciation and amortisation	220	71	761	1,272	2,324
Segment profit	4,732	1,532	16,356	27,360	49,980

**Financial year ended 31 December 2009
(Unaudited)**

Assets:					
Additions to non-current assets *	8,285	2,683	28,639	47,904	87,511
Reportable segment assets	36,852	11,933	127,385	213,085	389,255
Reportable segment liabilities	15,371	4,977	53,135	88,882	162,366

* - Addition to non-current assets consist of additions to property, plant and equipment and land use rights.

**Fourth quarter
ended
31 December 2009
RM'000
(Unaudited)**

Profit or loss	
Total profit for reportable segments	49,980
Unallocated interest income	4
Unallocated other incomes	24
Unallocated other expenses	(2,017)
Profit from operations	47,991

**As at
31 December 2009
RM'000
(Unaudited)**

Assets	
Total assets for reportable segments	389,255
Unallocated asset	188,989
Elimination of intercompany balance	(190,525)
Group assets	387,719

Liabilities

Total liabilities for reportable segments	162,365
Unallocated liabilities	109,325
Elimination of intercompany balance	(190,519)
Group liabilities	81,171

Business Segments
Financial period from 1 October 2009 to 31 December 2009

(Unaudited)

	TPR	RB	MD1	MD2	TOTAL
	Shoe soles	Shoe soles	Shoe soles	Shoe soles	
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:					
- External sales	7,734	2,445	26,292	43,801	80,272
Results:					
Interest income	7	2	26	43	78
Interest expenses	12	4	43	72	131
Depreciation and amortisation	110	36	382	638	1,166
Segment profit	2,374	769	8,204	13,724	25,071

Financial year ended 31 December 2009

(Unaudited)

Assets:					
Additions to non-current assets *	4,156	1,346	14,365	24,029	43,896
Reportable segment assets	18,485	5,985	63,896	106,883	195,249
Reportable segment liabilities	7,710	2,496	26,652	44,583	81,441

* - Addition to non-current assets consist of additions to property, plant and equipment and land use rights.

**Fourth quarter
ended
31 December 2009
RM'000
(Unaudited)**
Profit or loss

Total profit for reportable segments	25,071
Unallocated interest income	2
Unallocated other incomes	12
Unallocated other expenses	(1,012)
Profit from operations	24,073

**As at
31 December 2009
RM'000
(Unaudited)**
Assets

Total assets for reportable segments	195,249
Unallocated asset	94,797
Elimination of intercompany balance	(95,567)
Group assets	194,479

Liabilities

Total liabilities for reportable segments	81,441
Unallocated liabilities	54,838
Elimination of intercompany balance	(95,564)
Group liabilities	40,715

8. Subsequent events

Save as disclosed as follow, there were no material events subsequent to the end of the financial period under review that have not been reflected in this quarterly report as at the date of this report.

On 1 January 2010, our subsidiary, Jinjiang Baixing entered into loan agreement with Industrial and Commercial Bank of China to obtain bank loans amounting to RMB15.7 (RM7.9) million. The Bank loans were pledged by Baixing's land use rights and guaranteed by a third party.

9. Changes in the composition of the Group

Save as disclosed under note B8, there were no significant changes in the composition of the Group during the current quarter.

10. Contingent liabilities or assets

No material contingent liabilities and assets, which upon becoming enforceable may have a material effect on the financial position of the Group since the last annual balance sheet date.

11. Property, plant and equipment

The Group acquired addition of property, plant and equipment as follow:

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
Property, plant and equipment	2,079	1,043	8,602	4,315
Construction in progress	66,444	33,328	66,444	33,328
	<u>68,523</u>	<u>34,371</u>	<u>75,046</u>	<u>37,643</u>

12. Capital commitments

Capital expenditure contracted for as at 31 December 2009 but not recognised in the interim financial report is as follow:

	RMB'000	RM'000
Capital commitments in respect of		
a) Property, plant and equipment	40,261	20,915
b) Intangible assets	460	231
	<u>40,721</u>	<u>20,426</u>

13. Significant related party transactions

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
Rental paid to a related party	273	137	1,092	548
Expenses paid on behalf by a director	48	24	643	323
Repayment of advances to a director	-	-	9,433	4,732

B. INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD UNDER LISTING REQUIREMENTS

1. Review of the performance of the Group

For current year performance, the Group recorded revenue of RMB 474.2 (RM 237.9) million and profit after taxation of RMB113.1 (RM 56.7) million. The growth in revenue by 23.7% as compared to FYE 2008 was mainly contributed to the additional set-up of production line for our major product of EVA MD II which enables the Group to better fulfill the increased demand of shoe soles from our customers. Our production capacity, on pro-rata basis, has increased from 24.6 million pairs in FYE 2008 to 27.9 pairs million in FYE 2009.

The gross profit margin improved from 30.0% to 33.9% was mainly due to :

- a) The better cost efficiencies as a result of the in-house production of EVA compound pallets which are key components for production of EVA MD series. The aforesaid in-house production only started in the 3rd quarter of 2008 which resulted in a higher average cost of sales per pair of shoe soles in FYE 2008.
- b) A general increase in average selling price per pair of shoe sole from RMB 17.51 (RM 8.8) in FYE 2008 to RMB 18.38 (RM 9.2) in FYE 2009.

Despite the increase in the revenue and gross profit margin, the Group achieved the same profit after taxation margin of 23.9% as FYE 2008's, this was mainly due to the increase in administrative expenses as a result of the recognition of the transaction costs that related to the public initial offering and the issuance of equity instrument for the current year. Had the listing expenses of RMB 9.8 (RM 4.9) million excluded, the profit after taxation margin would have been improved by 2%.

2. Variation of results against immediate preceding quarter

	Current quarter 31-Dec-09 RMB'000	Preceding quarter 30-Sept-09 RMB'000	Current quarter 31-Dec-09 RM'000	Preceding quarter 30-Sept-09 RM'000
Revenue	160,033	130,508	80,272	65,463
Gross profit	55,481	44,709	27,829	22,426
Profit after taxation	41,743	23,768	20,939	11,922

For fourth quarter performance, the Group recorded revenue of RMB 160.0 (RM 80.3) million and profit after taxation of RMB 41.7 (RM 20.9) million.

The growth in revenue for the current quarter by 22.6% was mainly contributed to the additional set-up of production line for our major product of EVA MD II which enables the Group to better fulfill the increased demand of shoe soles from our customers and the aforesaid production line were only brought in the mid of 3rd quarter, thus only recording the production capacity and revenue for a period of 1.5 months in 3rd quarter as compared to the 4-month periods in the current quarter.

The gross profit margin remained relatively constant at 34.6% as compared to 34.2% in the 3rd quarter.

The Group achieved a higher profit after taxation margin of 26.1% as compared to 18.2% in the 3rd quarter, this was mainly due to the recognition of the transaction costs that related to the public initial offering and the issuance of equity instrument in the 3rd quarter.

3. Prospects for FYE 2010

The Board of Directors is of the opinion that the financial year ending 31 December 2010 would be a better year in view of the compound annual growth rate for China's sports-footwear market has been improving. The Board expects to improve on its sales turnover compared to the previous financial year as it anticipates that the China's sports-footwear market will continue to grow in line with the population growth and economic recovery. The relatively better outlook is further boosted by the large population of China, which registered 1.3 billion persons in 2007.

The Group did not declare a final dividend for FYE 2009 in view of the expansion of production centre and capacity which are expected to allow the Group to meet demand for its manufacturing services in growing the business further.

The expansion of production centre and capacity and continuous sourcing of new customers will also be important factors to sustain the growth.

During the quarter, the Group has utilised certain IPO proceeds and internally-generated fund to construct the new production centre which is still in the course of construction and expects to be completed by 2010. As soon as the various phases of construction are completed, the additional production line will be setup to increase the existing production capacity to better fill-up the demand of China's sportswear.

The Group has also utilised certain IPO proceeds to boost the existing advertising and promotional activities to strengthen our presence as well as to enhance our brand name in the market, and invest in the software for shoe-sole designing to strengthen our product-development capabilities so as to improve the quality of our products and enhance the range of shoe sole designs, thus has the competitive edge over other industry players.

Our Board of Directors is optimistic about the prospects of the Group and the outlook of the sports-footwear industry for the financial year ending 31 December 2010.

4. Profit forecast and guarantee

No profit forecast or guarantee were previously announced and disclosed by the Group in a public document.

5. Income tax charge

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
PRC income tax	6,248	3,314	18,186	9,122

The effective tax rate of the Group for the current quarter was 13.0% and for the financial year-to-date was 13.9% as compared to the current Enterprise Income Tax (EIT) rate of 25.0%. The effective tax rate is lower as Baixings enjoys an EIT rate of 12.5% up to 31 December 2010 under Regular Tax Reduction and Exemption Treatment” (二免三减半), this was however partially offset by the recognition of transaction costs relating to the public initial offering and the issuance of equity instrument for the 3rd quarter.

6. Sales of unquoted investments and/or properties

No sales of unquoted investments and/or properties of the Group in the current quarter and financial year-to-date.

7. Purchase or disposal of quoted securities

No purchase or disposal of quoted securities by the Group in the current quarter and financial year-to-date.

8. Status of corporate proposals and utilisation of proceeds

In conjunction with, and as an integral part of our Listing, we undertook the Listing Scheme, which involves the following: -

(a) Consolidation and Increase In Authorised Share Capital

On 28 May 2009, we effected a consolidation of every five (5) existing ordinary shares of US\$0.01 each in our authorised and issued share capital into one (1) ordinary share of US\$0.05, resulting in an authorised share capital of US\$10,000 divided into 200,000 shares of US\$0.05 each and an issued share capital of US\$1.00 divided into 20 shares of US\$0.05 each.

Following the Consolidation, we increased our authorised share capital from US\$10,000 divided into 200,000 ordinary shares of US\$0.05 each to US\$50,000,000 divided into 1,000,000,000 ordinary shares of US\$0.05 each.

(b) Acquisitions

(i) Acquisition Of Paksing

Pursuant to the Share Sale Agreement dated 6 April 2009 entered into by our Company and the vendors of Paksing ("**SSA**") and Supplemental Agreement dated 29 May 2009 entered into by the parties to the SSA (collectively, the "**SSA Agreements**") and Redeemable Convertible Loan Stock ("**RCLS**") Agreements, we acquired the entire issued and fully paid-up share capital of Paksing, comprising 12,175 ordinary shares of HK\$1.00 each in Paksing, for an aggregate purchase consideration of US\$15,119,999, which was wholly satisfied by the issuance of an aggregate of 302,399,980 new Multi Sports Shares each credited as fully paid-up, at par value of US\$0.05 per Share.

Pursuant to the SSA Agreements, the specified vendors of Paksing, namely Lin Huozhi (65.71% shareholding) and Leung Sing Kit (16.43% shareholding of which is being held by Leung Sing Kit in trust for Lin Huozhi under a trust agreement dated 5 June 2003) agreed and directed that all 248,401,273 new Multi Sports Shares to which they were entitled be issued and allotted by Multi Sports to the persons / entities and in the proportion set out below: -

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Name	Place of incorporation / nationality	Number of Multi Sports Shares allotted
Power Wide*	BVI	201,601,273
Lim Geok Tin	Singaporean	17,100,000
Fortune United Investment Limited	BVI	13,500,000
Supreme Business Investments Limited	BVI	10,800,000
Houton Limited	BVI	5,400,000
Total		248,401,273

Note: -

* Power Wide is wholly-owned by Lin Huozhi.

Pursuant to the RCLS Agreements and subsequent to the Acquisition Of Paksing, GGMC, as one of the vendors of Paksing, was issued 53,998,707 new Multi Sports Shares.

The purchase consideration of US\$15,119,999 for the Acquisition Of Paksing was agreed upon based on a willing-buyer willing-seller basis, after taking into consideration the combined financial position of Paksing and Baixing as at 31 December 2008.

The 302,399,980 new Shares issued pursuant to the Acquisition Of Paksing rank *pari passu* in all respects with all then existing ordinary shares of Multi Sports and carry all rights to receive in full all dividends and other distributions declared and paid subsequent to the allotment thereof.

The completion of the Acquisition Of Paksing on 15 July 2009 resulted in the issued share capital of Multi Sports increasing from US\$1 comprising 20 Shares to US\$15,120,000 comprising 302,400,000 Shares.

(ii) Acquisition Of Multi Sports Shares By Power Wide

Subsequent to the completion of the Acquisition Of Paksing, on 15 July 2009, Power Wide acquired the 20 Shares that was held directly by Lin Huozhi, for a nominal amount of US\$1.00, which was wholly satisfied by cash, on a willing-buyer willing-seller basis.

(iii) Public Issue

Our Group implemented 57,600,000 public issue shares via public offering.

(iv) Listing

Subsequent to the Public Issue, our Group sought the listing of and quotation for its entire enlarged issued and paid-up share capital of 360,000,000 on Main Market of Bursa Securities.

(c) Utilisation of proceeds

The Public Issue raised gross proceeds of RM48.96 million and we have utilised the proceeds raised in the following manner: -

		Estimated timeframe for utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation	Explanations
(i)	Expansion of production capacity	Within 24 months				
	- Production Centre		25,000	53,472	(28,472)	(1)
	- Production Line		5,000	3,312	1,688	(2)
			<u>30,000</u>	<u>56,784</u>	<u>(26,784)</u>	
(ii)	Expansion of sales and marketing network in China	Within 18 months	3,960	-	3,960	(2)
(iii)	Advertising and branding	Within 24 months	3,000	225	2,775	(2)
(iv)	Enhancement of product development capabilities	Within 24 months	4,000	250	3,750	(2)
(v)	Working capital	Within 24 months	1,000	1,000	Nil	
(vi)	Estimated Listing expenses	Immediate	7,000	7,695	(695)	(3)
	Total proceeds		<u>48,960</u>	<u>65,954</u>		

Notes :

- (1) The new production centre is still in the course of construction and the total expansion cost of production centre increase up to year end was RM53.5 million, out of which RM25 million was financed via the IPO proceeds and the deviation of RM28.5 million was financed via funds generated internally by the Group. The total expansion cost of machinery and equipment amounting to RM3.3 million was financial via IPO proceeds.
- (2) IPO proceeds will be utilised within the estimated timeframe given and the Group does not expect any material deviation as at the date of this report.
- (3) The total listing expenses are RM7.7 million, out of which RM2.7 million was offset against share premium as these transaction costs were directly relating to the public initial offering and the issuance of equity instrument. The deviation of RM0.7 million was financed via the funds generated internally by the Group.

9. Group borrowings and debts securities

The Group's borrowings of RMB20.0 (RM10.0) million were fully repaid during the current quarter.

10. Off-balance sheet financial instruments risks

As at the date of this report, we do not have nor are we using any financial instruments.

11. Changes in material litigation

As at the date of this report, our Group is not engaged whether as plaintiff or defendant in any legal action, proceedings, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of our Group, and our Directors are not aware of any proceedings pending or threatening or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

12. Earnings per share

Basic earnings per share are calculated based on weighted average number of 324,000,000 ordinary shares in issue and profit attributable to equity holders of the Group. For the purpose of calculating the weighted average number of shares outstanding, shares issued for the business combination are assumed to have been issued on the first day of the year. There is no dilutive effect.

13. Audit report of the Group's preceding annual financial statements

Our Group's audited combined financial statements for the financial year ended 31 December 2008 were not subject to any audit qualification and highlighted with an emphasis of matter that the combined financial statement did not incorporate the financial statements of Multi Sports Holdings Ltd, the proposed listed company, as the reorganisation exercise had not been completed at the date of the audit report. Our subsidiary, Paksing's audited financial statements for the financial year ended 31 December 2008 were qualified arising from the disagreement about the non-preparation of consolidated financial statements, but our principal auditors had considered the qualification of the financial statement and were of opinion that there will not be any material impact on their opinion on the combined financial statements.