

Company Name : MULTI SPORTS HOLDINGS LTD
 Stock Name : MSPORTS
 Financial Year Ended : 31 DECEMBER 2010
 Quarter : 4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

PARTICULARS	NOTE	UNAUDITED AS AT 31-Dec-10 RMB'000	AUDITED AS AT 31-Dec-09 RMB'000	UNAUDITED AS AT 31-Dec-10 RM'000 (1)	AUDITED AS AT 31-Dec-09 RM'000 (1)
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment		257,355	126,545	119,850	58,932
Intangible assets		23,981	23,614	11,168	10,997
		<u>281,336</u>	<u>150,159</u>	<u>131,018</u>	<u>69,929</u>
Current assets					
Inventories		11,144	12,160	5,190	5,663
Trade receivables		83,154	63,374	38,725	29,513
Prepayment and other receivables	A12	65,364	1,320	30,439	614
Cash and bank balances		242,718	160,706	113,034	74,841
Deposit pledged for bill payables		37,200	-	17,324	-
		<u>439,580</u>	<u>237,560</u>	<u>204,712</u>	<u>110,631</u>
Current liabilities					
Trade payables and bill payables		117,598	29,655	54,765	13,810
Accrued liabilities and other payables		32,839	20,920	15,293	9,743
Amount owing to a shareholder cum director		263	18,377	123	8,558
Income tax payable		9,609	11,388	4,474	5,303
Interest-bearing bank borrowings		40,000	-	18,628	-
		<u>200,309</u>	<u>80,340</u>	<u>93,283</u>	<u>37,414</u>
Net current assets		239,271	157,220	111,429	73,217
Net assets		520,607	307,379	242,447	143,146
EQUITY					
Share capital		153,898	123,178	71,670	57,364
Reserve		366,709	184,201	170,777	85,782
Total equity		520,607	307,379	242,447	143,146
Net Assets per share attributable to equity holders of the Group (sen in RMB / RM)	B14	131.47	94.87	61.22	44.18

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

Note :

(1) The presentation currency of this unaudited and audited interim financial statement is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") shown is for reference only and is based on the exchange rate of RMB1 to RM0.4657 as at 31 December 2010.

Company Name : MULTI SPORTS HOLDINGS LTD
 Stock Name : MSPORTS
 Financial Year Ended : 31 DECEMBER 2010
 Quarter : 4

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		CURRENT QUARTER 31-Dec-10	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-09	CURRENT QUARTER 31-Dec-10	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-09
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
Revenue		171,417	160,033	79,829	74,527
Cost of sales		(116,685)	(104,552)	(54,341)	(48,690)
Gross Profit		54,732	55,481	25,488	25,837
Other income		518	183	241	85
Selling and distribution expenses		(2,969)	(2,789)	(1,383)	(1,299)
Administrative expenses		(8,898)	(4,624)	(4,143)	(2,153)
Finance costs		(658)	(260)	(306)	(121)
Profit before taxation		42,725	47,991	19,897	22,349
Income tax expenses		(8,551)	(6,248)	(3,981)	(2,910)
Profit after taxation		34,174	41,743	15,916	19,439
Total comprehensive income for the period		34,174	41,743	15,916	19,439
Profit attributable to :					
- Equity holders of the Group		34,174	41,743	15,916	19,439
Total comprehensive income attributable to :					
- Equity holders of the Group		34,174	41,743	15,916	19,439

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		CURRENT QUARTER 31-Dec-10 RMB'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-09 RMB'000	CURRENT QUARTER 31-Dec-10 RM'000 (1)	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-09 RM'000 (1)
Earnings per share attributable to equity holders of the Group :					
Basic (sen in RMB / RM)	B14	8.63	13.01	4.02	6.06
Diluted (sen in RMB / RM)	B14	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

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Company Name : MULTI SPORTS HOLDINGS LTD
 Stock Name : MSPORTS
 Financial Year Ended : 31 DECEMBER 2010
 Quarter : 4

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

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-10	PERIOD	31-Dec-10	PERIOD
			31-Dec-09		31-Dec-09
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
Revenue		613,458	474,187	285,687	220,829
Cost of sales		(415,799)	(313,303)	(193,638)	(145,905)
Gross Profit		197,659	160,884	92,049	74,924
Other income		1,386	812	645	378
Selling and distribution expenses		(10,388)	(7,599)	(4,838)	(3,539)
Administrative expenses		(20,367)	(20,859)	(9,484)	(9,714)
Finance costs		(1,695)	(1,113)	(789)	(518)
Profit before taxation		166,595	132,125	77,583	61,531
Income tax expenses		(25,562)	(18,186)	(11,903)	(8,469)
Profit after taxation		141,033	113,939	65,680	53,062
Total comprehensive income for the year		141,033	113,939	65,680	53,062
Profit attributable to :					
- Equity holders of the Group		141,033	113,939	65,680	53,062
Total comprehensive income attributable to :					
- Equity holders of the Group		141,033	113,939	65,680	53,062

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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-10	PERIOD	31-Dec-10	PERIOD
			31-Dec-09		31-Dec-09
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
Earnings per share attributable to equity holders of the Group:					
Basic (sen in RMB / RM)	B14	35.61	35.52	16.58	16.54
Diluted (sen in RMB / RM)	B14	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

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Company Name : MULTI SPORTS HOLDINGS LTD
 Stock Name : MSPORTS
 Financial Year Ended : 31 DECEMBER 2010
 Quarter : 4

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	← Attributable to Equity Holders of The Group →					
	Share Capital	Share Premium	Statutory Reserve	Merger Deficit	Retained Earnings	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance At 1 January 2010	123,178	69,689	23,353	(54,916)	146,075	307,379
Net profit for the year	-	-	-	-	141,033	141,033
Issue of shares	30,720	43,507	-	-	-	74,227
Share issue expenses	-	(2,032)	-	-	-	(2,032)
At 31 December 2010	153,898	111,164	23,353	(54,916)	287,108	520,607

	← Attributable to Equity Holders of The Group →					
	Share Capital	Share Premium	Statutory Reserve	Merger Deficit	Retained Earnings	Total Equity
	RM'000 (1)	RM'000 (1)	RM'000 (1)	RM'000 (1)	RM'000 (1)	RM'000 (1)
Balance At 1 January 2010	57,364	32,454	10,875	(25,574)	68,027	143,146
Net profit for the year	-	-	-	-	65,680	65,680
Issue of shares	14,306	20,261	-	-	-	34,567
Share issue expenses	-	(946)	-	-	-	(946)
At 31 December 2010	71,670	51,769	10,875	(25,574)	133,707	242,447

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

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Company Name : MULTI SPORTS HOLDINGS LTD
Stock Name : MSPORTS
Financial Year Ended : 31 DECEMBER 2010
Quarter : 4

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	← Attributable to Equity Holders of The Group →						
	Share Capital	Share Premium	Statutory Reserve	Merger Deficit	Currency Translation Reserve	Retained Earnings	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance At 1 January 2009	11	-	13,184	-	3	42,302	55,500
Currency translation reserve	-	-	-	-	(3)	3	-
Net (loss)/gain recognized directly in equity	-	-	-	-	(3)	3	-
Net profit for the year	-	-	-	-	-	113,939	113,939
Total recognized income and expense for the year	-	-	-	-	(3)	113,942	113,939
Arising from reorganisation	103,455	-	-	(54,916)	-	-	48,539
Public issue of shares	19,712	74,910	-	-	-	-	94,622
Share issue expenses	-	(5,221)	-	-	-	-	(5,221)
Transfer to statutory reserve	-	-	10,169	-	-	(10,169)	-
At 31 December 2009	123,178	69,689	23,353	(54,916)	-	146,075	307,379

	← Attributable to Equity Holders of The Group →						
	Share Capital	Share Premium	Statutory Reserve	Merger Deficit	Currency Translation Reserve	Retained Earnings	Total Equity
	RM'000 (1)	RM'000 (1)	RM'000 (1)	RM'000 (1)	RM'000 (1)	RM'000 (1)	RM'000 (1)
Balance At 1 January 2009	5	-	6,140	-	1	19,700	25,846
Currency translation reserve	-	-	-	-	(1)	1	-
Net (loss)/gain recognized directly in equity	-	-	-	-	(1)	1	-
Net profit for the year	-	-	-	-	-	53,062	53,062
Total recognized income and expenses for the year	-	-	-	-	(1)	53,063	53,062
Arising from reorganisation	48,179	-	-	(25,574)	-	-	22,605
Public issue of shares	9,180	34,885	-	-	-	-	44,065
Share issue expenses	-	(2,432)	-	-	-	-	(2,432)
Transfer to statutory reserve	-	-	4,736	-	-	(4,736)	-
At 31 December 2009	57,364	32,453	10,876	(25,574)	-	68,027	143,146

The audited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	UNAUDITED CURRENT YEAR 31-Dec-10 RMB'000	AUDITED PRECEDING YEAR 31-Dec-09 RMB'000	UNAUDITED CURRENT YEAR 31-Dec-10 RM'000 (1)	AUDITED PRECEDING YEAR 31-Dec-09 RM'000 (1)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	166,595	132,125	77,583	61,531
Adjustments for :-				
Depreciation of property, plant and equipment	11,084	8,641	5,162	4,024
Amortisation of intangible assets	592	95	276	44
Loss on disposal of property, plant and equipment	2	-	1	-
Interest income	(926)	(446)	(431)	(208)
Interest expense	1,695	1,113	789	518
Operating profit before working capital changes	179,042	141,528	83,380	65,909
Decrease/ (increase) in inventories	1,016	(1,172)	473	(545)
(Increase) in trade receivables	(19,780)	(25,638)	(9,211)	(11,940)
(Increase)/ decrease in prepayments and other receivables	(64,044)	1,305	(29,825)	608
Increase in trade payables	87,943	5,319	40,955	2,477
Increase in accrued liabilities and other payables	11,919	6,440	5,550	2,999
Net cash generated from operations	196,096	127,782	91,322	59,508
Income tax paid	(27,341)	(10,686)	(12,733)	(4,976)
Interest received	926	446	431	208
Interest paid	(1,695)	(1,113)	(789)	(518)
Net cash generated from operating activities	167,986	116,429	78,231	54,222
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(141,923)	(95,826)	(66,094)	(44,626)
Acquisition of intangible asset	(960)	(18,990)	(447)	(8,844)
Proceed from disposal of property, plant and equipment	27	-	13	-
Net cash used in investing activities	(142,856)	(114,816)	(66,528)	(53,470)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceed from issue of shares	74,227	94,622	34,567	44,065
Proceed from share issued to swap redeemable convertible loan stock	-	48,539	-	22,605
Shares issue expenses written off against share premium account	(2,032)	(5,221)	(946)	(2,431)
Advances from a shareholder cum director	-	643	-	299
Repayment of advances from a shareholder cum director	(18,113)	(9,433)	(8,435)	(4,393)
Bank loan obtained	40,000	-	18,628	-
Deposit pledged with bank	(37,200)	-	(17,324)	-
Net cash generated from financing activities	56,882	129,150	26,490	60,145

	UNAUDITED CURRENT YEAR 31-Dec-10 RMB'000	AUDITED PRECEDING YEAR 31-Dec-09 RMB'000	UNAUDITED CURRENT YEAR 31-Dec-10 RM'000 (1)	AUDITED PRECEDING YEAR 31-Dec-09 RM'000 (1)
NET INCREASE IN CASH AND CASH EQUIVALENTS	82,012	130,763	38,193	60,897
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	160,706	29,943	74,841	13,944
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	242,718	160,706	113,034	74,841

Cash and cash equivalents comprise:

Cash and bank balances	279,918	160,706	130,358	74,841
Less: Deposit pledged with bank	(37,200)	-	(17,324)	-
	242,718	160,706	113,034	74,841

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the financial statements. .

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A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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 financial statements for the financial year ended 31 December 2009, and the accompanying explanatory notes attached to this interim financial report.

b) Changes in accounting policies

On 1 January 2010, the Group adopted the new or revised Financial Reporting Standard (“IFRS”) and interpretations that are mandatory for application on that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS.

(i) IFRS and IFRIC Interpretations that are issued, not yet effective and have not been adopted early

The Group has not adopted the following revised IFRS, amendments to IFRS, new IFRS and IFRIC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:-

		Effective for financial periods beginning on or after
<u>New IFRS</u>		
IFRS 124	Related Party Disclosures	1 January 2012
<u>Amendments/ Improvements to IFRSs</u>		
IFRS 1	First-time Adoption of Financial Reporting Standards	1 January 2011
IFRS 2	Share-based Payment	1 January 2011
IFRS 3	Business Combinations	1 January 2011
IFRS 7	Financial Instruments: Disclosures	1 January 2011
IFRS 101	Presentation of Financial Statements	1 January 2011
IFRS 121	The Effect of Changes in Foreign Exchange Rates	1 January 2011
IFRS 132	Financial Instruments: Presentation	1 January 2011
IFRS 134	Interim Financial Reporting	1 January 2011
IFRS 139	Financial Instruments: Recognition and Measurement	1 January 2011
<u>IFRIC Int</u>		
IFRIC Int 4	Determining whether an Arrangement contains a Lease	1 January 2011
IFRIC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

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 2010 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 Group experienced lower level of production activities due to fewer working days as the result of Lunar New Year holidays in the first quarter of the year. Other than the mentioned factor, the business of the Group was not affected by any significant seasonal and cyclical factors.

3. Unusual items

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.

5. Changes in share capital and debts

There were no issuances, cancellations, resale and repayments of debt and equity securities for the current financial year-to-date.

6. Dividends paid

There were no dividends paid during the period under review.

7. Segment Information

Business Segments

	Financial year ended 31 December 2010 (Unaudited)				
	TPR	RB	MD1	MD2	TOTAL
	Shoe soles RMB'000	Shoe soles RMB'000	Shoe soles RMB'000	Shoe soles RMB'000	RMB'000
Revenue:					
- External sales	54,178	22,100	191,533	345,647	613,458
Results:					
Interest income	81	34	287	524	926
Interest expenses	(148)	(62)	(525)	(960)	(1,695)
Depreciation and amortisation	(1,021)	(426)	(3,614)	(6,615)	(11,676)
Segment profit	14,972	6,241	52,975	96,955	171,143

	Financial year ended 31 December 2010 (Unaudited)				
Assets:					
Additions to non-current assets *	12,500	5,211	44,227	80,945	142,883
Reportable segment assets	62,816	26,185	222,253	406,774	718,028
Reportable segment liabilities	16,555	6,901	58,576	107,207	189,239

* - Addition to non-current assets consist of additions to property, plant and equipment and intangible asset.

	Fourth and cumulative quarter ended 31 December 2010 RMB'000 (Unaudited)
Profit or loss	
Total profit for reportable segments	171,143
Unallocated interest income	1
Unallocated other expenses	(4,549)
Profit from operations	166,595

	As at 31 December 2010 RMB'000 (Unaudited)
Assets	
Total assets for reportable segments	718,028
Unallocated prepayment and other receivable	13
Unallocated cash at bank and on hand	2,875
Group assets	720,916

Liabilities	
Total liabilities for reportable segments	189,239
Unallocated amount owing to a shareholder	263
Unallocated income tax payable	9,609
Unallocated accruals and other payables	1,198
Group liabilities	200,309

Business Segments
Financial year ended 31 December 2010
 (Unaudited)

	TPR Shoe soles RM'000	RB Shoe soles RM'000	MD1 Shoe soles RM'000	MD2 Shoe soles RM'000	TOTAL RM'000
Revenue:					
- External sales	25,231	10,292	89,197	160,967	285,687
Results:					
Interest income	38	16	133	244	431
Interest expenses	(69)	(29)	(244)	(447)	(789)
Depreciation and amortisation	(476)	(198)	(1,683)	(3,081)	(5,438)
Segment profit	6,973	2,906	24,670	45,152	79,701

Financial year ended 31 December 2010
 (Unaudited)

Assets:					
Additions to non-current assets *	5,821	2,427	20,597	37,696	66,541
Reportable segment assets	29,254	12,194	103,503	189,435	334,386
Reportable segment liabilities	7,709	3,214	27,279	49,927	88,129

* - Addition to non-current assets consist of additions to property, plant and equipment and intangible asset.

**Fourth and cumulative
quarter ended
31 December 2010**
 RM'000
 (Unaudited)

Profit or loss

Total profit for reportable segments	79,701
Unallocated interest income	-
Unallocated other expenses	(2,118)
Profit from operations	77,583

**As at
31 December 2010**
 RM'000
 (Unaudited)

Assets

Total assets for reportable segments	334,386
Unallocated prepayment and other receivables	6
Unallocated cash at bank and on hand	1,338
Group assets	335,730

Liabilities

Total liabilities for reportable segments	88,129
Unallocated amount owing to a shareholder	122
Unallocated income tax payable	4,474
Unallocated accruals and other payables	558
Group liabilities	93,283

Business Segments

	Financial year ended 31 December 2009 (Audited)				
	TPR	RB	MD1	MD2	TOTAL
	Shoe soles RMB'000	Shoe soles RMB'000	Shoe soles RMB'000	Shoe soles RMB'000	RMB'000
Revenue:					
- External sales	48,477	11,256	180,631	233,823	474,187
Results:					
Interest income	35	8	129	167	339
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 (Audited)				
	TPR	RB	MD1	MD2	TOTAL
Assets:					
Additions to non-current assets *	11,707	2,737	43,753	56,619	114,816
Reportable segment assets	39,081	9,136	146,056	189,001	383,274
Reportable segment liabilities					
	5,060	1,183	18,912	24,473	49,628

* - Addition to non-current assets consist of additions to property, plant and equipment and intangible asset.

	Fourth and cumulative Quarter ended 31 December 2009 RMB'000 (Audited)
<u>Profit or loss</u>	
Total profit for reportable segments	145,403
Unallocated interest incomes	107
Unallocated other incomes	53
Unallocated other expenses	(13,438)
Profit from operations	132,125

	As at 31 December 2009 RMB'000 (Audited)
<u>Assets</u>	
Total assets for reportable segments	383,274
Unallocated prepayment and other receivables	68
Unallocated cash and cash balances	4,377
Group assets	387,719

<u>Liabilities</u>	
Total liabilities for reportable segments	49,628
Unallocated amount owing to a shareholder cum director	18,377
Unallocated income tax payable	11,388
Unallocated other payables	947
Group liabilities	80,340

Business Segments

	Financial year ended 31 December 2009				
	(Audited)				
	TPR	RB	MD1	MD2	
	Shoe soles	Shoe soles	Shoe soles	Shoe soles	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:					
- External sales	22,576	5,242	84,120	108,891	220,829
Results:					
Interest income	16	4	60	78	158
Interest expenses	(53)	(12)	(197)	(256)	(518)
Depreciation and amortisation	(415)	(97)	(1,550)	(2,006)	(4,068)
Segment profit	6,905	1,614	25,804	33,391	67,714

	Financial year ended 31 December 2009				
	(Audited)				
Assets:					
Additions to non-current assets *	5,452	1,275	20,376	26,367	53,470
Reportable segment assets	18,200	4,255	68,018	88,018	178,491
Reportable segment liabilities	2,356	551	8,807	11,397	23,111

* - Addition to non-current assets consist of additions to property, plant and equipment and intangible asset.

	Fourth and cumulative quarter ended 31 December 2009 RM'000 (Audited)
Profit or loss	
Total profit for reportable segments	67,714
Unallocated interest incomes	50
Unallocated other income	25
Unallocated other expenses	(6,258)
Profit from operations	61,531

	As at 31 December 2009 RM'000 (Audited)
Assets	
Total assets for reportable segments	178,491
Unallocated prepayment and other receivables	31
Unallocated cash and cash balances	2,038
Group assets	180,560

Liabilities	
Total liabilities for reportable segments	23,111
Unallocated amount owing to a shareholder cum director	8,558
Unallocated income tax payable	5,304
Unallocated other payables	441
Group liabilities	37,414

8. Subsequent events

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.

9. Changes in the composition of the Group

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 & equipment and intangible asset

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

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
Property, plant and equipment	136,712	63,667	141,923	66,094
Construction in progress	(106,908)	(49,787)	-	-
Intangible asset	-	-	960	447
	<u>29,804</u>	<u>13,880</u>	<u>142,883</u>	<u>66,541</u>

The Group disposed 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	-	-	(56)	(26)

12. Prepayment and other receivables

	FY2010		FY2009	
	Year-to-date	Year-to-date	Year-to-date	Year-to-date
	RMB'000	RM'000	RMB'000	RM'000
Advance payments to suppliers	64,517	30,045	-	-
Prepayment and other receivables	847	394	1,320	614
	<u>65,364</u>	<u>30,439</u>	<u>1,320</u>	<u>614</u>

Advance payments to suppliers relate to purchase agreements entered into with suppliers to guarantee the purchase of raw materials at a pre-determined price range and to ensure the product quality for a period of six months. Under the terms of the agreements, the Company shall pay the suppliers in advance by means of bank bills. The bills are transferrable, secured by bank deposits pledged and have a maturity period of six months.

13. Related party transactions

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
Rental paid to a related party	273	127	1,092	509

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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 613.5 (RM 285.7) million and profit after taxation of RMB 141.0 (RM 65.7) million. The growth in revenue by 29.4% compared to last year was mainly due to the increased demand of EVA MD products from our customers.

Gross profit margin for twelve months ended 31 December 2010 has decreased to 32.2% from 33.9% for last year as this was mainly due to the higher production cost arising from wages increment in Jan 2010 and rises in raw material costs.

The Group's profit after taxation declined by 1.0% from 24.0% in last year compared to 23.0% in current year. In addition, if the listing expenses of RMB 9.8 million were to be excluded from twelve months ended 31 December 2009, the profit after taxation in current year would have been reduced by 3.1% rather than a decrease of 1.0%, which is in line with the drop in gross profit margin, and additional administrative expenses and withholding tax provision mentioned in B2 below.

2. Variation of results against immediate preceding quarter

	Current quarter 31-Dec-10 RMB'000	Preceding quarter 30-Sept-10 RMB'000	Current quarter 31-Dec-10 RM'000	Preceding quarter 30-Sept-10 RM'000
Revenue	171,417	152,715	79,829	71,119
Gross profit	54,732	49,646	25,488	23,120
Profit after taxation	34,174	35,776	15,916	16,661

For fourth quarter performance, the Group recorded revenue of RMB 171.4 (RM 79.8) million and profit after taxation of RMB 34.2 (RM 15.9) million.

As compared to Q3 2010, revenue for the current quarter increased by 12.2%. The gross profit margin decreased by 0.6% to 31.9% as compared to 32.5% in the last corresponding quarter. The Group's profit after taxation dropped to 19.9% as compared to 23.4% in the last corresponding quarter, which was mainly attributed to the expense of approximately RMB 4 million infrastructure costs in the new production centre and increase in the provision for withholding tax on dividend expense.

3. Prospects for FYE 2011

We have fast-tracked our expansion plans, the construction of all factories and dormitories on our new production centre on Xibin Land have been completed in November 2010. With the completion of our new production centre, the annualised production capacity is expected to increase up to approximately 84.4 million pairs in FYE 2011 from approximately 32.5 million pairs in FYE 2010. The commencement of operations on the new production centre is anticipated to contribute positively to our growth in FYE 2011.

On the other hand, we are aware the rising labour cost and raw material price may deliver pressure on our profit margin, we will continue to exercise discipline in managing our operating cost base. Barring any unforeseen circumstances, we cautiously optimistic the results for FYE 2011 to be satisfactory.

4. Profit forecast and guarantee

Bursa Malaysia Securities Berhad queried on the article appearing in New Strait Times, page 12 on Wednesday, 25 August 2010 on the following statements:-

- (1) 'Multi Sports expects to register a 20% growth in net profit this year, driven by higher sales volume.'
- (2) 'It had also anticipated its 2011 net profit growth to be a higher 30-40% than this year, on additional capacity which will lead to higher production and sales volume.'

The Company clarified to Bursa Malaysia Securities Berhad that the above said net profit growth for year 2010 and 2011 is an internal target and inspiration of the Company. Thus, it does not tantamount to a profit forecast or projection of the Company

5. Income tax

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
PRC income tax	8,551	3,981	25,562	11,903

The effective tax rate of the Group for the current quarter was 20.0% and for the financial year-to-date was 15.3% as compared to the current Enterprise Income Tax (EIT) rate of 25.0%. The lower effective tax rate is mainly due to Baixing enjoys an EIT rate of 12.5% up to 31 December 2010 under Regular Tax Reduction and Exemption Treatment" (二免三減半) and this has however partially offset by the provision for withholding tax on dividend.

6. Retained earnings

	Current Quarter Ended		Preceding Quarter Ended	
	RMB'000	RM'000	RMB'000	RM'000
Realised	289,888	135,001	253,807	118,198
Unrealised	(4,287)	(1,996)	(1,322)	(616)
	<u>285,601</u>	<u>133,005</u>	<u>252,485</u>	<u>117,582</u>
Consolidation adjustments	1,507	702	449	209
Total Group retained profits as per Consolidated accounts	<u>287,108</u>	<u>133,707</u>	<u>252,934</u>	<u>117,791</u>

7. 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.

8. 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.

9. Status of corporate proposals and utilisation of proceeds

(a) Utilisation of IPO 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 RM'000	Explanations
(i)	Expansion of production capacity	Within 24 months				
	- Production Centre		25,000	89,807	(64,807)	(1)
	- Production Line		5,000	5,600	(600)	(1), (2)
			<u>30,000</u>	<u>95,407</u>	<u>(65,407)</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	1,074	1,926	(2)
(iv)	Enhancement of product development capabilities	Within 24 months	4,000	826	3,174	(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		48,960	106,002		

Notes :

- (1) The construction of a new production centre has been completed and the total cost of production centre was RM89.8 million, out of which RM25 million was financed via the IPO proceeds and the deviation of RM64.8 million was financed via funds generated internally by the Group. The total expansion cost of machinery and equipment amounting to RM5 million was financed via IPO proceeds and the deviation of RM0.6 million was financed via internal generated funds.
- (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 were 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.

Status of corporate proposals and utilisation of proceeds (Continued)

(b) Utilisation of Rights share proceeds

The Rights share Issue raised gross proceeds of RM34.20 million and we have utilised the proceeds raised in the following manner: -

		Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Explanations
(i)	Expansion of production capacity				
	- Production Centre & Production line	33,200	26,367	6,833	
(ii)	Estimated issuance expenses	1,000	935	65	(1)
	Total proceeds	34,200	27,302		

Note :

- (1) The total Rights share expenses amounting to RM0.94 million were offset against share premium as these transaction costs were directly relating to the issuance of Rights share. The deviation of RM0.06 million was utilized as working capital by the Group

10. Group borrowings and debts securities

Our Group's borrowings and debts securities as at 31 December 2010 were as follow : -

<u>Short term borrowings and debts securities</u>	RMB'000	RM'000
Bank loans - secured	40,000	18,628

The bank loans were guaranteed by third parties.

11. Off-balance sheet financial instruments risks

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

12. 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.

13. Proposed dividend

The Board of Directors is pleased to declare a tax exempt final dividend of 2.5 sen per share in the respect of the financial year ended 31 December 2010.

14. Net asset and earnings per share

The Company and the Group	Weighted average no. of shares	
	31 December 2010	31 December 2009
Consolidation and increase (20 ordinary shares for 12 months) ⁽¹⁾	20	20
Acquisition of Pak Sing (302,399,980 ordinary shares for 12 months) ⁽¹⁾	302,399,980	302,399,980
Subtotal	302,400,000	302,400,000
Public issue (57,600,000 ordinary shares for 4.5 months on 31 December 2009)	57,600,000	21,600,000
Subtotal	360,000,000	324,000,000
Right shares issue (90,000,000 ordinary shares for 4.8 months on 31 December 2010)	36,000,000	-
Total	396,000,000	324,000,000

Net asset per share are calculated based on net asset attributable to equity holders of the Group and weighted average number of 396,000,000 and 324,000,000 ordinary shares in issue and for the financial year ended 31 December 2010 and 31 December 2009 respectively.

Basic earnings per share are calculated based on profit attributable to equity holders of the Group and the number of 396,000,000 ordinary shares fully in issue for the financial year ended 31 December 2010 and the number of 324,000,000 ordinary shares in issue for the financial year ended 31 December 2009.

Comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to reflect the adjustment arising from the Rights share issue for the year ended 31 December 2010.

There is no potential dilutive effect on earnings per share.

(1) Ordinary shares arising from the Reorganisation exercise are assumed to be issued throughout the financial year 31 December 2009 as the Reorganisation exercise was accounted for under common control using the "pooling of interest" method of consolidation

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

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2009.