

Company Name : MULTI SPORTS HOLDINGS LTD  
 Stock Name : MSPORTS  
 Financial Period Ended : 31 MARCH 2015  
 Quarter : 1

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015**

PARTICULARS	NOTE	UNAUDITED AS AT 31-Mar-15 RMB'000	AUDITED AS AT 31-Dec-14 RMB'000	UNAUDITED AS AT 31-Mar-15 RM'000 (1)	AUDITED AS AT 31-Dec-14 RM'000 (1)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		255,400	260,078	152,560	147,750
Intangible assets		16,993	17,855	10,151	10,143
		<u>272,393</u>	<u>277,933</u>	<u>162,711</u>	<u>157,893</u>
<b>Current assets</b>					
Inventories		15,558	18,369	9,293	10,435
Trade receivables		82,979	132,376	49,567	75,203
Prepayment and other receivables		3,738	3,199	2,233	1,817
Cash and bank balances		612,016	575,988	365,580	327,219
		<u>714,291</u>	<u>729,932</u>	<u>426,673</u>	<u>414,674</u>
<b>Total assets</b>		<u>986,684</u>	<u>1,007,865</u>	<u>589,384</u>	<u>572,567</u>
<b>EQUITY AND LIABILITY</b>					
<b>Capital and Reserves</b>					
Share capital		175,361	175,361	104,750	99,623
Reserve		731,251	720,940	436,804	409,566
<b>Total equity</b>		<u>906,612</u>	<u>896,301</u>	<u>541,554</u>	<u>509,189</u>
<b>Current liabilities</b>					
Trade payables		41,550	63,879	24,819	36,290
Accrued liabilities and other payables		24,364	31,714	14,554	18,017
Income tax payable		2,658	4,471	1,588	2,540
Interest-bearing bank borrowings		11,500	11,500	6,869	6,533
		<u>80,072</u>	<u>111,564</u>	<u>47,830</u>	<u>63,380</u>
<b>Total equity and liabilities</b>		<u>986,684</u>	<u>1,007,865</u>	<u>589,384</u>	<u>572,569</u>
Net Assets per share attributable to equity holders of the Group (sen in RMB / RM)	B13	175.12	173.20	104.65	98.39

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

**Note :**

- (1) The functional 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 RM 0.5973 as at 31 March 2015 and RMB1 to RM0.5681.

Company Name : MULTI SPORTS HOLDINGS LTD  
 Stock Name : MSPORTS  
 Financial Period Ended : 31 MARCH 2015  
 Quarter : 1

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2015**

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED CURRENT QUARTER 31-Mar-15 RMB'000	UNAUDITED PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-14 RMB'000	UNAUDITED CURRENT QUARTER 31-Mar-15 RM'000 (1)	UNAUDITED PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-14 RM'000 (1)
Revenue		137,587	163,043	82,186	86,299
Cost of sales		(112,033)	(125,385)	(66,921)	(66,367)
Gross Profit		25,554	37,658	15,265	19,932
Other income		585	533	349	282
Selling and distribution expenses		(3,906)	(4,406)	(2,333)	(2,332)
Administrative expenses		(9,041)	(10,153)	(5,401)	(5,374)
Finance costs		(182)	(434)	(109)	(230)
Profit before taxation		13,010	23,196	7,771	12,278
Income tax expenses		(2,699)	(4,817)	(1,612)	(2,550)
Profit after taxation		10,311	18,381	6,159	9,728
Total comprehensive income for the period		10,311	18,381	6,159	9,728
Profit / (Loss) attributable to :					
- Equity holders of the Group		10,311	18,381	6,159	9,728
Total comprehensive income / (loss) attributable to :					
- Equity holders of the Group		10,311	18,381	6,159	9,728

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT QUARTER 31-Mar-15  RMB'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-14  RMB'000	CURRENT QUARTER 31-Mar-15  RM'000 (1)	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-14  RM'000 (1)
Earnings per share attributable to equity holders of the Group :					
Basic (sen in RMB / RM)	B13	1.99	3.55	1.19	1.11
Diluted (sen in RMB / RM)	B13	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 2014 and the accompanying explanatory notes attached to the financial statements.

**Note :**

- (1) The functional 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 RM 0.5973 as at 31 March 2015 and RMB1 to RM0.5293 as at 31 March 2014.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Company Name : MULTI SPORTS HOLDINGS LTD  
 Stock Name : MSPORTS  
 Financial Period Ended : 31 MARCH 2015  
 Quarter : 1

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2015**

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED	UNAUDITED PRECEDING YEAR	UNAUDITED	UNAUDITED PRECEDING YEAR
		CURRENT QUARTER 31-Mar-15 RMB'000	CORRESPONDING QUARTER 31-Mar-14 RMB'000	CURRENT QUARTER 31-Mar-15 RM'000 (1)	CORRESPONDING QUARTER 31-Mar-14 RM'000 (1)
Revenue		137,587	163,043	82,186	86,299
Cost of sales		(112,033)	(125,385)	(66,921)	(66,367)
Gross Profit		25,554	37,658	15,265	19,932
Other income		585	533	349	282
Selling and distribution expenses		(3,906)	(4,406)	(2,333)	(2,332)
Administrative expenses		(9,041)	(10,153)	(5,401)	(5,374)
Finance costs		(182)	(434)	(109)	(230)
Profit before taxation		13,010	23,196	7,771	12,278
Income tax expenses		(2,699)	(4,817)	(1,612)	(2,550)
Profit after taxation		10,311	18,381	6,159	9,728
Total comprehensive income for the period		10,311	18,381	6,159	9,728
Profit / (Loss) attributable to :					
- Equity holders of the Group		10,311	18,381	6,159	9,728
Total comprehensive income / (loss) attributable to :					
- Equity holders of the Group		10,311	18,381	6,159	9,728

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT	PRECEDING	CURRENT	PRECEDING
		QUARTER	YEAR	QUARTER	YEAR
		31-Mar-15	CORRESPONDING	31-Mar-15	CORRESPONDING
			QUARTER		QUARTER
			31-Mar-14		31-Mar-14
		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)	B13	1.99	3.55	1.19	1.11
Diluted (sen in RMB / RM)	B13	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 2014 and the accompanying explanatory notes attached to the financial statements.

**Note :**

- (1) The functional 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 RM 0.5973 as at 31 March 2015 and RMB1 to RM0.5293 as at 31 March 2014.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Company Name : MULTI SPORTS HOLDINGS LTD  
 Stock Name : MSPORTS  
 Financial Period Ended : 31 MARCH 2015  
 Quarter : 1

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015**

	← 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 2015	175,361	137,003	35,846	(54,916)	603,007	896,301
Net profit for the period	-	-	-	-	10,311	10,311
At 31 March 2015	175,361	137,003	35,846	(54,916)	613,318	906,612

	← 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 2015	104,750	81,838	21,412	(32,803)	360,198	535,395
Net profit for the period					6,159	6,159
At 31 March 2015	104,750	81,838	21,412	(32,803)	366,357	541,554

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 2014 and the accompanying explanatory notes attached to the financial statements.

**Note :**

- (1) The functional 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 RM 0.5973 as at 31 March 2015 and RMB1 to RM0.5293 as at 31 March 2014.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Company Name : MULTI SPORTS HOLDINGS LTD  
 Stock Name : MSPORTS  
 Financial Period Ended : 31 MARCH 2015  
 Quarter : 1

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2014**

	← 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 2014	175,361	137,426	27,203	(54,916)	553,323	838,397
Net profit for the period	-	-	-	-	18,381	18,381
At 31 March 2014	175,361	137,426	27,203	(54,916)	571,704	856,778

	← 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 2014	92,818	72,740	14,398	(29,067)	292,875	443,764
Net profit for the period					9,728	9,728
At 31 March 2014	92,818	72,740	14,398	(29,067)	302,603	453,492

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 2014 and the accompanying explanatory notes attached to the financial statements.

**Note :**

- (1) The functional 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 RM 0.5973 as at 31 March 2015 and RMB1 to RM0.5293 as at 31 March 2014.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Company Name : MULTI SPORTS HOLDINGS LTD  
 Stock Name : MSPORTS  
 Financial Period Ended : 31 MARCH 2015  
 Quarter : 1

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015**

	UNAUDITED CURRENT PERIOD 31-Mar-15 RMB'000	UNAUDITED PRECEDING PERIOD 31-Mar-14 RMB'000	UNAUDITED CURRENT PERIOD 31-Mar-15 RM'000 (1)	UNAUDITED PRECEDING PERIOD 31-Mar-14 RM'000 (1)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation	13,010	23,198	7,771	12,278
Adjustments for :-				
Depreciation of property, plant and equipment	5,481	5,401	3,274	2,859
Amortisation of intangible assets	862	159	515	84
Interest income	(509)	(417)	(304)	(221)
Interest expense	182	434	109	229
Operating profit before working capital changes	19,026	28,775	11,710	15,229
Increase in inventories	2,811	8,896	1,679	4,709
Decrease/ (increase) in trade and other receivables	48,858	27,342	29,184	14,472
Increase / (decrease) in trade and other payables	(29,679)	(12,985)	(17,728)	(6,873)
Net cash generated from operations	41,016	52,028	24,500	27,537
Income tax paid	(4,512)	(6,244)	(2,694)	(3,305)
Interest received	509	417	304	221
Interest paid	(182)	(434)	(109)	(230)
Net cash generated from operating activities	36,831	45,767	22,001	24,223
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(803)	(1,213)	(480)	(642)
Net cash used in investing activities	(803)	(1,213)	(480)	(642)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net cash used in financing activities	-	-	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	36,028	44,554	21,521	23,581
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	575,988	501,440	344,060	265,413
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	612,016	545,994	365,581	288,994
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	612,016	545,994	365,581	288,994
Less: Deposit pledged with bank	-	-	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	612,016	545,994	365,581	288,994

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

**Note :**

- (1) The functional 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 RM 0.5973 as at 31 March 2015 and RMB1 to RM0.5293 as at 31 March 2014.



## **A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

### **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 2014, and the accompanying explanatory notes attached to this interim financial report.

#### **b) Changes in accounting policies**

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 Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:-

##### **Effective for the Company’s and the Group’s annual accounting period beginning on 1 January 2015.**

- Various improvements to IFRSs (Annual Improvements 2010-2012)
  - Amendments to IFRS 8 Operating Segments
  - Amendments to IAS 16 Property, Plant and Equipment
  - Amendments to IAS 24 Related Party Disclosures
  - Amendment to IAS 38 Intangible Assets
- Various improvements to IFRSs (Annual Improvements 2011-2013)
  - Amendments to IFRS 13 Fair Value Measurement

##### **Effective for the Company’s and the Group’s annual accounting period beginning on 1 January 2016.**

- Amendments to IAS1: Disclosure Initiative
- Amendments to IAS 27: Equity Method in Separate Financial Statement
- Various improvements to IFRSs (Annual Improvements 2012-2014)
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Method of Depreciation and Amortisation

##### **Effective for the Company’s and the Group’s annual accounting period beginning on 1 January 2017.**

- IFRS 15 Revenue from Contract with Customers

##### **Effective for the Company’s and the Group’s annual accounting period beginning on 1 January 2018.**

- IFRS 9 Financial Instruments

The management does not anticipate that the adoption of the above those IFRSs that have been issued but not yet effective (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 a 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.

*THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK*

## 7. Segment Information

Business Segments	Financial period ended 31 March 2015						
	(Unaudited)						
	TPR	RB	MD1	MD2			
	Shoe Soles	Shoe Soles	Shoe Soles	Shoe Soles	Apparels	Accessories	Total
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Segment revenue</b>							
- External sales	5,486	3,492	23,203	85,205	19,189	1,011	137,586
Segment profit	501	317	2,142	7,836	2,203	116	13,115
Unallocated interest income							-
Unallocated other expenses							(105)
Profit from Operation							13,010
<b>Other information:</b>							
Interest income	20	13	87	319	64	3	506
Interest expenses	7	5	32	115	23	1	318
Additional to non-current assets*	37	24	159	582	-	-	802
Depreciation and amortisation	293	185	1,255	4,587	22	1	6,343

\* Additional to non-current assets consist of additional to property, plant and equipment and intangible assets.

	Financial period ended 31 March 2015						
	(Unaudited)						
Segment assets	44,176	27,914	188,860	690,722	33,164	1,747	986,583
Segment liabilities	3,516	2,222	15,033	54,979	2,895	153	78,798

**As at**  
**31 March 2014**  
**RMB'000**  
**Unaudited**

**Segment assets are reconciled to total assets as follows:-**

Segment assets	986,583
Unallocated prepayment and other receivable	28
Unallocated cash at bank and on hand	73
<b>Total assets</b>	<b>986,684</b>

**Segment liabilities are reconciled to total liabilities as follows:-**

Segment liabilities	78,798
Unallocated income tax payable	-
Unallocated accrual and other payables	1,274
<b>Total liabilities</b>	<b>80,072</b>

**Business Segments**

**Financial period ended 31 March 2015**

**(Unaudited)**

	<b>TPR</b>	<b>RB</b>	<b>MD1</b>	<b>MD2</b>	<b>Apparels</b>	<b>Accessories</b>	<b>Total</b>
	<b>Shoe</b>	<b>Shoe</b>	<b>Shoe</b>	<b>Shoe</b>			
	<b>Soles</b>	<b>Soles</b>	<b>Soles</b>	<b>Soles</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment revenue</b>							
- External sales	3,277	2,086	13,860	50,896	11,462	604	82,185
Segment profit	299	189	1,280	4,681	1,316	69	7,834
Unallocated interest income							-
Unallocated other expenses							(62)
Profit from Operation							7,772

**Other information:**

Interest income	12	8	53	191	39	2	305
Interest expenses	4	3	19	68	14	1	109
Additional to non-current assets*	22	14	95	348	-	-	479
Depreciation and amortisation	175	111	749	2,740	13	1	3,789

\* Additional to non-current assets consist of additional to property, plant and equipment and intangible assets.

**Financial period ended 31 March 2015**

**(Unaudited)**

Segment assets	26,388	16,674	112,813	412,594	19,809	1,043	589,321
Segment liabilities	2,100	1,327	8,980	32,841	1,729	92	47,069

**As at**  
**31 March 2014**  
**RM'000**  
**Unaudited**

**Segment assets are reconciled to total assets as follows:-**

Segment assets	589,321
Unallocated prepayment and other receivable	16
Unallocated cash at bank and on hand	44
<b>Total assets</b>	<b>589,381</b>

**Segment liabilities are reconciled to total liabilities as follows:-**

Segment liabilities	47,069
Unallocated income tax payable	-
Unallocated accrual and other payables	761
<b>Total liabilities</b>	<b>47,830</b>

**Business Segments**

**Financial period ended 31 March 2014**

**(Unaudited)**

	<b>TPR Shoe Soles RMB'000</b>	<b>RB Shoe Soles RMB'000</b>	<b>MD1 Shoe Soles RMB'000</b>	<b>MD2 Shoe Soles RMB'000</b>	<b>Apparels RMB'000</b>	<b>Accessories RMB'000</b>	<b>Total RMB'000</b>
<b>Segment revenue</b>							
- External sales	6,197	3,925	23,597	100,822	27,361	1,141	163,043
<b>Segment profit</b>	<b>871</b>	<b>552</b>	<b>3,400</b>	<b>14,445</b>	<b>4,157</b>	<b>213</b>	<b>23,638</b>
Unallocated interest income							-
Unallocated other expenses							(440)
<b>Profit from Operation</b>							<b>23,198</b>

**Other information:**

Interest income	16	10	62	261	65	3	417
Interest expenses	(16)	(10)	(64)	(272)	(68)	(4)	(434)
Additional to non-current assets*	55	35	214	909	-	-	1,213
Depreciation and amortisation	(249)	(158)	(972)	(4,131)	(47)	(2)	(5,560)

\* Additional to non-current assets consist of additional to property, plant and equipment and intangible assets.

**Financial period ended 31 March 2014**

**(Unaudited)**

Segment assets	40,753	25,815	159,166	675,972	28,379	1,458	931,543
Segment liabilities	4,623	2,929	18,058	76,691	1,082	56	103,439

**As at  
31 March 2014  
RMB'000  
Unaudited**

**Segment assets are reconciled to total assets as follows:-**

Segment assets	931,543
Unallocated prepayment and other receivable	280
Unallocated cash at bank and on hand	35,185
<b>Total assets</b>	<b>967,008</b>

**Segment liabilities are reconciled to total liabilities as follows:-**

Segment liabilities	103,439
Unallocated income tax payable	4,817
Unallocated accrual and other payables	1,974
<b>Total liabilities</b>	<b>110,230</b>

**Business Segments**
**Financial period ended 31 March 2014**
**(Unaudited)**

	TPR	RB	MD1	MD2	Apparels	Accessories	Total
	Shoe Soles	Shoe Soles	Shoe Soles	Shoe Soles			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>							
- External sales	3,280	2,079	12,490	53,365	14,482	604	86,299
Segment profit	460	292	1,800	7,646	2,200	113	12,511
Unallocated interest income							-
Unallocated other expenses							(233)
Profit from Operation							12,278
<b>Other information:</b>							
Interest income	8	5	33	138	356	2	221
Interest expenses	(8)	(5)	(34)	(144)	(36)	(2)	(229)
Additional to non-current assets*	30	18	113	481	-	-	642
Depreciation and amortisation	(132)	(83)	(515)	(2,187)	(25)	(1)	(2,943)

\* Additional to non-current assets consist of additional to property, plant and equipment and intangible assets.

**Financial period ended 31 March 2014**
**(Unaudited)**

Segment assets	21,571	13,664	84,247	357,792	15,021	771	493,066
Segment liabilities	2,447	1,550	9,558	40,593	573	30	54,751

**As at**  
**31 March 2014**  
**RM'000**  
**Unaudited**

**Segment assets are reconciled to total assets as follows:-**

Segment assets	493,066
Unallocated prepayment and other receivable	148
Unallocated cash at bank and on hand	18,624
<b>Total assets</b>	<b>511,838</b>

**Segment liabilities are reconciled to total liabilities as follows:-**

Segment liabilities	54,751
Unallocated income tax payable	2,550
Unallocated accrual and other payables	1,045
<b>Total liabilities</b>	<b>58,346</b>

**8. Subsequent events**

On 25 May 2015, Mercury Securities Sdn Bhd on behalf of the Company announced that it proposes to undertake the Proposed Variation to utilise an unutilised portion of approximately RM11.034 million raised from the TDR Programme. This balance amount that was initially earmarked for the expansion of production capacity.

**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 as follow:

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
Property, plant and equipment	803	480	803	480
Intangible asset	-	-	-	-
	<u>803</u>	<u>480</u>	<u>803</u>	<u>480</u>

*THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK*

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

### 1. Review of the performance of the Group

	Financial period ended		Change
	Unaudited 31-Mar-2015 RMB' 000	Unaudited 31-Mar-2014 RMB' 000	
<b>Revenue</b>			
TPR shoe soles	5,486	6,197	-11.5%
RB shoe soles	3,492	3,925	-11.0%
MD1 shoe soles	23,203	23,597	-1.7%
MD2 shoe soles	85,205	100,822	-15.5%
	<u>117,386</u>	<u>134,541</u>	-12.8%
Apparels	19,189	27,361	-29.9%
Accessories	1,011	1,141	-11.4%
	<u>20,200</u>	<u>28,502</u>	-29.1%
Total	<u>137,586</u>	<u>163,043</u>	-15.6%

#### Overall:

The Group recorded profit after taxation of RMB10.3 (RM6.2) million for the current year quarter compared to RMB18.4 (RM9.7) million in the preceding year of 2014 quarter. The Group's performance was affected by lower sale for shoe soles, apparels and accessories for this quarter. The revenue has decreased by 15.6% due to long holidays in this quarter.

#### Sport-shoe soles:

The revenue dropped by 12.8% compared with preceding year. Sales volumes for RB, MD1 and MD2 have declined by 3.47%, 2.30%, 12.75% respectively. The changed in sales mix was mainly due to the market trend and demand. The production utilisation rate maintains at a moderate level of 61.5% in the current quarter.

Gross profit margin for the year ended 31 March 2015 has decreased to 16.2% from 21.2% as compare with preceding year. The lower profit margin was due to the higher production costs arising from rises in labour and overhead costs; while prices of old products were being adjusted slightly lower to keep up with the market competitiveness.

In line with the decreased in gross profit margin, the profit after taxation declined from 10.7% preceding year compared to 6.9% in the current year.

#### Apparels and accessories:

The business recorded revenue of RMB20.2 million that decreased from RMB28.5 million compared to preceding year. The gross profit margin slight reduced to 32% compare with preceding year at 33%. The revenue of apparels and accessories of the Group was affected by the long season holiday for first quarter.



## 2. Variation of results against immediate preceding quarter

	Current quarter 31-Mar-15 RMB'000	Preceding quarter 31-Dec-14 RMB'000	Current quarter 31-Mar-15 RM'000	Preceding quarter 31-Dec-14 RM'000
Revenue	137,587	179,533	82,186	119,687
Gross profit	25,554	34,828	15,265	23,701
Profit after taxation	10,311	8,597	6,159	6,589

For first quarter performance, the Group recorded revenue of RMB137.6 (RM82.2) million and profit after taxation of RMB10.3 (RM6.1) million.

As compared with quarter 4 2014, revenue of current quarter has decreased by 23.4% attributable to sales of shoes soles, fashion apparels and accessories.

However, the gross profit margin for the current quarter dropped to 18.6% from 19.4% for the preceding quarter. The fall was caused by higher production costs arising from rises in labour and overhead costs; while prices of old products were being adjusted slightly lower and prices of new products were not high.

## 3. Prospects for FYE 2015

Our Company believes that the demand for sports-shoe soles and sports shoes in China will increase in the future. However, in the near term, the Group expects challenging market conditions to persist, plagued by de-stocking of inventories and continued discounting by several market players. Instead of focusing on closing book orders which might not be too profitable to the Group, the Group would undertake necessary reforms and adjustments, focus on higher margin orders, manage its overheads and other operating costs in order to improve its operating performance. Barring any unforeseen circumstances, the results for FYE 2015 would still be profitable.

## 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

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
PRC income tax	2,699	1,612	2,699	1,612

- The effective tax rate of the Group for the current quarter was 20% as compared to the current Enterprise Income Tax (EIT) rate of 25%. The lower effective tax rate in current quarter was due to no provision of income tax in apparels and accessories business during this quarter.

## 6. Retained earnings

	Current Quarter Ended		Preceding Quarter Ended	
	RMB'000	RM'000	RMB'000	RM'000
Realised	611,911	365,523	571,161	302,316
Unrealised	(107)	(64)	(971)	(514)
	611,804	365,459	570,190	301,802
Consolidation adjustments	1,514	898	1,514	801
Total Group retained profits as per Consolidated accounts	613,318	366,357	571,704	302,603

## 7. Profit before taxation

The Group's profit before taxation is arrived after charging/ (crediting):

	Current Quarter		Current Year-to-date	
	RMB'000	RM'000	RMB'000	RM'000
Interest income	(76)	(45)	(76)	(45)
Interest expenses	327	195	327	195
Depreciation and amortisation	6,343	3,789	6,343	3,789
Foreign exchange (gain)/ loss	-	-	-	-

*THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK*

## 8. 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)
			<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	2,138	1,822	(2)
(iii)	Advertising and branding	Within 24 months	3,000	3,000	Nil	
(iv)	Enhancement of product development capabilities	Within 24 months	4,000	5,245	(1,245)	(2)
(v)	Working capital	Within 24 months	1,000	1,000	Nil	
(vi)	Estimated Listing expenses	Immediate	7,000	7,695	(695)	(3)
	<b>Total proceeds</b>		<b>48,960</b>	<b>114,182</b>		

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 yet to be fully utilised and these proceeds were used to speed up expansion of the product development and marketing in China continuing in 1<sup>st</sup> half of year 2015.
- (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.

### (b) Utilisation of Rights Share proceeds

The Rights Share Issue raised gross proceeds of RM34.20 million and we have been fully utilised

### (C) Utilisation of TDR proceeds

The TDR Issue raised gross proceeds of TWD236.25 (RM24.688) 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 line	15,681	4,641	11,040	(1)
(ii)	Working capital	6,707	6,707	-	(2)
(iii)	Estimated issuance expenses	2,300	2,653	(353)	(3)
	<b>Total proceeds</b>	<b>24,688</b>	<b>14,001</b>		

Note:

- (1) The Company has completed its TDR issuance and listing on 30 December 2011.
- (2) TDR proceeds have been deposited into a bank in Hong Kong. Due to exchange controls, the Company is currently in the midst of converting the proceeds into share capital of its subsidiary for utilization as working capital. On 5 May 2014, Hongkong Subsidiary "PakSing" has transferred RMB 32,03 million (RM18.196 million) as capital injection to fund the operation of "Evidoma".
- (3) The total listing expenses were RM2.653 million, out of which RM0.94 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 RM0.353 million was financed via the funds generated internally by the Group

## 9. Group borrowings and debts securities

Our Group's borrowings and debts securities as at 31 March 2015 were as follow: -

<u>Short term borrowings and debts securities</u>	RMB'000	RM'000
Bank loans - secured	11,500	6,533

The bank loans were pledged by the Group's land use rights.

## 10. Off-balance sheet financial instruments risks

As at the date of this report, neither do we 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 either 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, our Directors are also 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. Proposed dividend

The Board of Directors does not recommend any dividends for the current financial quarter under review.

*THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK*

### 13. Net asset and earnings per share

Net asset per share are calculated based on net asset attributable to equity holders of the Group and weighted average number of 517,500,000 ordinary shares in issue for the financial period/ year ended 31 March 2015 and 2014 respectively.

Basic earnings per share are calculated based on profit attributable to equity holders of the Group and weighted average number of 517,500,000 ordinary shares fully in issue for the financial period ended 31 March 2015 and 2014 respectively.

#### The Group

	Individual Quarter		Individual Quarter	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RMB	RMB	RM	RM
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Basic earnings per share is based on:				
Profit after taxation attributable to ordinary shareholders of the Company	1.99	3.55	1.19	1.11

	Cumulative Quarter		Cumulative Quarter	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RMB	RMB	RM	RM
	Cents	Cents	Sen	Sen
Basic earnings per share is based on:				
Profit after taxation attributable to ordinary shareholders of the Company	1.99	3.55	1.19	1.11

The Company and the Group	Weighted average no. of shares	
	31 March 2015	31 March 2014
At beginning of year and at end of year	<u>517,500,000</u>	<u>517,500,000</u>

The fair value of the warrant was determined to be zero as there is no consideration received for the warrant. The exercise price per share was RM 0.18.

The numbers of warrants outstanding as at 31 March 2015 are 258,750,000.

<u>Exercisable period</u>	<u>Number of warrant</u>
3 years	258,750,000

There are no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at end of the current and preceding quarter under review.

### 14. 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 2014.