

**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Jun-15  
**Quarter** : 2

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT	AS AT	AS AT	AS AT
		30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		250,808	260,078	152,717	147,750
Intangible assets		16,131	17,855	9,822	10,143
		<u>266,939</u>	<u>277,933</u>	<u>162,539</u>	<u>157,893</u>
<b>Current assets</b>					
Inventories		14,772	18,369	8,995	10,435
Trade receivables		119,322	132,376	72,655	75,203
Prepayment and other receivables		6,098	3,199	3,713	1,817
Cash and bank balances		591,939	575,988	360,433	327,219
		<u>732,131</u>	<u>729,932</u>	<u>445,796</u>	<u>414,674</u>
<b>Total assets</b>		<u><u>999,070</u></u>	<u><u>1,007,865</u></u>	<u><u>608,335</u></u>	<u><u>572,567</u></u>
<b>EQUITY AND LIABILITY</b>					
<b>Capital and Reserves</b>					
Share capital		175,361	175,361	106,777	99,623
Reserve		721,055	720,940	439,052	409,566
<b>Total equity</b>		<u><u>896,416</u></u>	<u><u>896,301</u></u>	<u><u>545,829</u></u>	<u><u>509,189</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT	AS AT	AS AT	AS AT
		30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
<b>Current liabilities</b>					
Trade payables		60,430	63,879	36,796	36,290
Accrued liabilities and other payables		27,788	31,714	16,920	18,017
Income tax payable		2,936	4,471	1,788	2,540
Interest-bearing bank borrowings		11,500	11,500	7,002	6,533
		<b>102,654</b>	<b>111,564</b>	<b>62,506</b>	<b>63,380</b>
<b>Total equity and liabilities</b>		<b>999,070</b>	<b>1,007,865</b>	<b>608,335</b>	<b>572,569</b>
Net Assets per share attributable to equity holders of the Group (sen in RMB / RM)	B13	173.22	173.20	105.47	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 0.6089 as at 30 June 2015 and RMB1 to RM0.5174 as at 30 June 2014.*

**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Jun-15  
**Quarter** : 2

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT	PRECEDING	CURRENT	PRECEDING
		QUARTER	YEAR	QUARTER	YEAR
		CORRESPONDING	CORRESPONDING	QUARTER	QUARTER
		QUARTER	QUARTER	QUARTER	QUARTER
		30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
Revenue		155,721	188,449	96,409	95,563
Cost of sales		(128,530)	(146,729)	(79,558)	(74,425)
Gross Profit		27,191	41,720	16,851	21,138
Other income		588	584	366	296
Selling and distribution expenses		(5,965)	(7,489)	(3,677)	(3,822)
Administrative expenses		(28,229)	(9,370)	(17,293)	(4,727)
Finance costs		(188)	(381)	(116)	(192)
Profit/(Loss) before taxation		(6,603)	25,064	(3,869)	12,693
Income tax expenses		(3,593)	(6,040)	(2,219)	(3,068)
Profit / (loss) after taxation		(10,196)	19,024	(6,088)	9,625
Total comprehensive income / (loss)for the period		(10,196)	19,024	(6,088)	9,625
Profit / (Loss) attributable to :					
- Equity holders of the Group		(10,196)	19,024	(6,088)	9,625
Total comprehensive income / (loss) attributable to :					
- Equity holders of the Group		(10,196)	19,024	(6,088)	9,625

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT	PRECEDING	CURRENT	PRECEDING
		QUARTER	YEAR	QUARTER	YEAR
		CORRESPONDING	CORRESPONDING	CORRESPONDING	CORRESPONDING
		QUARTER	QUARTER	QUARTER	QUARTER
		30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-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	(1.97)	3.68	(1.18)	1.86
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 0.6089 as at 30 June 2015 and RMB1 to RM0.5174 as at 30 June 2014.*

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**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Jun-15  
**Quarter** : 2

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT	PRECEDING	CURRENT	PRECEDING
		QUARTER	YEAR	QUARTER	YEAR
		CORRESPONDING	CORRESPONDING	QUARTER	QUARTER
		30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
Revenue		293,308	351,492	178,595	181,862
Cost of sales		(240,563)	(272,114)	(146,479)	(140,792)
Gross Profit		52,745	79,378	32,116	41,070
Other income		1,173	1,117	715	578
Selling and distribution expenses		(9,871)	(11,895)	(6,010)	(6,154)
Administrative expenses		(37,270)	(19,523)	(22,694)	(10,101)
Finance costs		(370)	(815)	(225)	(422)
Profit before taxation		6,407	48,262	3,902	24,971
Income tax expenses		(6,292)	(10,858)	(3,831)	(5,618)
Profit after taxation		115	37,404	71	19,353
Total comprehensive income for the period		115	37,404	71	19,353
Profit / (Loss) attributable to :					
- Equity holders of the Group		115	37,404	71	19,353
Total comprehensive income / (loss) attributable to :					
- Equity holders of the Group		115	37,404	71	19,353

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT	PRECEDING	CURRENT	PRECEDING
		QUARTER	YEAR	QUARTER	YEAR
			CORRESPONDING		CORRESPONDING
			QUARTER		QUARTER
		30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-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	0.02	7.23	0.01	3.74
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 0.6089 as at 30 June 2015 and RMB1 to RM0.5174 as at 30 June 2014.*

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**Company Name** : **MULTI SPORTS HOLDINGS LTD**  
**Stock Name** : **MSPORTS**  
**Financial Period Ended** : **30-Jun-15**  
**Quarter** : **2**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	← Attributable to Equity Holders of The Group →					
	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Merger Deficit RMB'000	Retained Earnings RMB'000	Total Equity RMB'000
Balance At 1 January 2015	175,361	137,003	35,846	(54,916)	603,007	896,301
Net profit for the period	-	-	-	-	115	115
Balance At 30 June 2015	175,361	137,003	35,846	(54,916)	603,122	896,416

	← 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)	Retained Earnings RM'000 (1)	Total Equity RM'000 (1)
Balance At 1 January 2015	106,777	83,421	21,827	(33,438)	367,171	545,758
Net profit for the period	-	-	-	-	71	71
Balance At 30 June 2015	106,777	83,421	21,827	(33,438)	367,242	545,829

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 :**

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**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Jun-15  
**Quarter** : 2

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 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	-	-	-	-	37,404	37,404
Balance At 31 June 2014	175,361	137,426	27,203	(54,916)	590,727	875,801

	← 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	90,730	71,105	14,075	(28,413)	286,289	433,786
Net profit for the period	-	-	-	-	19,353	19,353
Balance At 30 June 2014	90,730	71,105	14,075	(28,413)	305,642	453,139

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 0.6089 as at 30 June 2015 and RMB1 to RM0.5174 as at 30 June 2014.*



**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Jun-15  
**Quarter** : 2

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	UNAUDITED PERIOD 30-Jun-15 RMB'000	UNAUDITED PERIOD 30-Jun-14 RMB'000	UNAUDITED PERIOD 30-Jun-15 RM'000 (1)	UNAUDITED PERIOD 30-Jun-14 RM'000 (1)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before taxation	6,407	48,262	3,902	24,971
Adjustments for :-				
Depreciation of property, plant and equipment	10,935	10,845	6,658	5,611
Amortisation of intangible assets	1,724	317	1,050	164
Interest income	(1,021)	(885)	(622)	(458)
Interest expense	370	815	225	421
Operating profit before working capital changes	18,415	59,354	11,213	30,709
Increase in inventories	3,596	9,113	2,190	4,715
Decrease/ (increase) in trade receivables	13,055	2,765	7,949	1,431
Decrease/ (increase) in prepayment and other receivables	(2,900)	(915)	(1,766)	(474)
Increase / (decrease) in trade and other payables	(3,449)	6,360	(2,100)	3,290
Increase / (decrease) in trade and other payables	(3,925)	(6,818)	(2,390)	(3,528)
Net cash generated from operations	24,792	69,859	15,096	36,143
Income tax paid	(7,828)	(11,347)	(4,766)	(5,870)
Interest received	1,021	885	622	458
Interest paid	(370)	(815)	(225)	(421)
Net cash generated from operating activities	17,615	58,582	10,727	30,310
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(1,664)	(3,401)	(1,013)	(1,760)
Net cash used in investing activities	(1,664)	(3,401)	(1,013)	(1,760)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of bank loan	-	(16,000)	-	(8,278)
Net cash used in financing activities	-	(16,000)	-	(8,278)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	15,951	39,181	9,714	20,272
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	575,988	501,440	350,719	259,445
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	591,939	540,621	360,433	279,717

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	UNAUDITED PERIOD 30-Jun-15 RMB'000	UNAUDITED PERIOD 30-Jun-14 RMB'000	UNAUDITED PERIOD 30-Jun-15 RM'000 (1)	UNAUDITED PERIOD 30-Jun-14 RM'000 (1)
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	591,939	540,621	360,433	279,717
Less: Deposit pledged with bank	-	-	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>591,939</b>	<b>540,621</b>	<b>360,433</b>	<b>279,717</b>

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 :**

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**A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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

**1. Basis of accounting and changes in accounting estimates (Cont.)**

**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.

## 7. Segment Information

### Business Segments

	Financial period ended 30 June 2015						
	(Unaudited)						
	TPR	RB	MD1	MD2			Total
	Shoe Soles	Shoe Soles	Shoe Soles	Shoe Soles	Apparels	Accessories	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Segment revenue</b>							
- External sales	12,134	8,577	52,130	189,083	29,156	2,228	293,308
<b>Segment profit</b>	1,159	812	5,031	18,169	(16,335)	(1,248)	7,588
Unallocated interest income							-
Unallocated other expenses							(1,180)
<b>Profit from Operation</b>							6,408
<b>Other information:</b>							
Interest income	42	30	184	665	92	7	1,020
Interest expenses	15	11	67	242	34	3	372
Additional to non-current assets*	77	54	333	1,201	-	-	1,665
Depreciation and amortisation	581	407	2,522	9,104	43	3	12,660

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

	Financial period ended 30 June 2015						
	(Unaudited)						
Segment assets	43,630	30,591	189,434	684,071	47,107	3,600	998,433
Segment liabilities	4,463	3,130	19,381	69,989	3,409	261	100,633

**As at**  
**30-Jun-15**  
**RMB'000**  
**Unaudited**

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

Segment assets	998,433
Unallocated prepayment and other receivable	28
Unallocated cash at bank and on hand	609
<b>Total assets</b>	<b>999,070</b>

## 7. Segment Information (Cont.)

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

Segment liabilities	100,633
Unallocated income tax payable	-
Unallocated accrual and other payables	2,021
<b>Total liabilities</b>	<b>102,654</b>

### Business Segments

#### Financial period ended 30 June 2015

(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	7,388	5,222	31,742	115,133	17,753	1,357	178,595
<b>Segment profit</b>	<b>705</b>	<b>495</b>	<b>3,064</b>	<b>11,063</b>	<b>(9,946)</b>	<b>(760)</b>	<b>4,621</b>
Unallocated interest income							-
Unallocated other expenses							(719)
<b>Profit from Operation</b>							<b>3,902</b>

### Other information:

Interest income	26	18	113	404	56	4	621
Interest expenses	9	7	41	147	20	2	226
Additional to non-current assets*	46	33	203	731	-	-	1,013
Depreciation and amortisation	354	248	1,535	5,544	26	2	7,709

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

#### Financial period ended 30 June 2015

(Unaudited)

Segment assets	26,567	18,627	115,347	416,531	28,683	2,191	607,946
Segment liabilities	2,718	1,906	11,801	42,616	2,076	159	61,276

**7. Segment Information (Cont.)**

**As at**  
**30-Jun-15**  
**RM'000**  
**Unaudited**

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

Segment assets	607,946
Unallocated prepayment and other receivable	16
Unallocated cash at bank and on hand	371
<b>Total assets</b>	<b>608,333</b>

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

Segment liabilities	61,276
Unallocated income tax payable	-
Unallocated accrual and other payables	1,230
<b>Total liabilities</b>	<b>62,506</b>

**Business Segments**

	Financial period ended 30 June 2014						
	(Unaudited)						
	TPR	RB	MD1	MD2	Apparels	Accessories	Total
	Shoe Soles	Shoe Soles	Shoe Soles	Shoe Soles	RMB'000	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Segment revenue</b>							
- External sales	14,295	7,844	53,477	218,589	54,994	2,293	351,492
<b>Segment profit</b>	2,023	1,106	7,741	31,421	6,237	290	48,818
Unallocated interest							40
Unallocated other expenses							(596)
<b>Profit from Operation</b>							<b>48,262</b>

**Other information:**

Interest income	36	20	137	557	129	6	885
Interest expenses	(33)	(18)	(126)	(514)	(119)	(5)	(815)
Additional to non-current as	163	89	623	2,526	-	-	3,401
Depreciation and amortisati	(529)	(289)	(2,025)	(8,221)	(94)	(4)	(11,162)

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

**7. Segment Information (Cont.)**
**Financial period ended 30 June 2014  
(Unaudited)**

Segment assets	45,312	24,781	173,408	703,917	31,899	1,483	980,800
Segment liabilities	4,687	2,564	17,940	72,826	2,342	109	100,468

**As at  
30-Jun-14  
RMB'000  
Unaudited**

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

Segment assets	980,800
Unallocated prepayment and other receivable	2,483
Unallocated cash at bank and on hand	213
<b>Total assets</b>	<b>983,496</b>

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

Segment liabilities	100,468
Unallocated income tax payable	5,757
Unallocated accrual and other payables	1,470
<b>Total liabilities</b>	<b>107,695</b>

**Business Segments**
**Financial period ended 30 June 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	7,396	4,059	27,669	113,097	28,454	1,187	181,862
<b>Segment profit</b>	<b>1,046</b>	<b>572</b>	<b>4,005</b>	<b>16,258</b>	<b>3,227</b>	<b>150</b>	<b>25,258</b>
Unallocated interest income							21
Unallocated other expenses							(308)
<b>Profit from Operation</b>							<b>24,971</b>



## 7. Segment Information (Cont.)

### Other information:

Interest income	19	10	71	288	67	3	458
Interest expenses	(17)	(9)	(65)	(266)	(61)	(3)	(421)
Additional to non-current as	85	46	322	1,307	-	-	1,760
Depreciation and amortisati	(274)	(149)	(1,048)	(4,254)	(48)	(2)	(5,775)

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

### Financial period ended 30 June 2014

(Unaudited)

Segment assets	23,445	12,822	89,721	364,207	16,505	767	507,467
Segment liabilities	2,426	1,327	9,282	37,681	1,212	57	51,985

**As at**  
**30-Jun-14**  
**RM'000**  
**Unaudited**

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

Segment assets	507,467
Unallocated prepayment and other receivable	1,283
Unallocated cash at bank and on hand	110
<b>Total assets</b>	<b>508,860</b>

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

Segment liabilities	51,985
Unallocated income tax payable	2,975
Unallocated accrual and other payables	761
<b>Total liabilities</b>	<b>55,721</b>
<b>Total liabilities</b>	<b>55,721</b>

## 8. Subsequent events

On 16 June 2015, On behalf of the Board of Directors of the Company, Mercury Securities Sdn Bhd, wishes to announce that the Company proposes to undertake the following:-

- (i) a par value reduction of each issued and unissued share in the capital of the Company effective on such date as may be determined by the Directors of the Company; and
- (ii) an employees' share option scheme which entails the issuance of up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible directors (including non-executive directors) and employees of Multi Sports and its subsidiaries (excluding subsidiaries which are dormant).

## 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	861	533	1,664	1,013
Intangible asset	-	-	-	-
	<u>861</u>	<u>533</u>	<u>1,664</u>	<u>1,013</u>

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**B. INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD UNDER LISTING REQUIREMENTS**
**1. Review of the performance of the Group**
**Financial period ended**

	<b>Unaudited 30-Jun-15 RMB' 000</b>	<b>Unaudited 30-Jun-14 RMB' 000</b>	<b>Change</b>
<b>Revenue</b>			
TPR shoe soles	6,648	14,295	(53.49%)
RB shoe soles	5,085	7,844	(35.17%)
MD1 shoe soles	28,927	53,477	(45.91%)
MD2 shoe soles	103,877	218,589	(52.48%)
	<u>144,537</u>	<u>294,205</u>	(50.87%)
Apparels	9,967	54,994	(81.88%)
Accessories	1,217	2,293	(46.93%)
	<u>11,184</u>	<u>57,287</u>	(80.48%)
<b>Total</b>	<u><u>155,721</u></u>	<u><u>351,492</u></u>	(55.70%)

**Overall:**

The Group recorded loss after taxation of RMB10.2 (RM6.1) million for the current year quarter compared to profit after tax of RMB19.0 (RM9.6) 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 55.7% due to current weaken in world economic as well as China economic which affect the buying decision in this quarter.

**Sport-shoe soles:**

The revenue dropped by 50.87% compared with preceding year. Sales for TPR, RB, MD1 and MD2, Apparels and Accessories have declined by 53.49%, 35.17%, 45.91% and 52.48% respectively. The decreased in sales was due the to lower demand for shoes industries which directly affect the demand for shoe soles.

Gross profit margin for the quarter ended 30 June 2015 has decreased to 16.3% from 20.7% as compare with preceding year. The lower profit margin was due to the higher production costs arising from rises in labour and overhead costs.

In line with the decreased in gross profit margin, the profit after taxation declined from 10.7% preceding year compared to 7.5% in the current year.

## 1. Review of the performance of the Group (Cont.)

### Apparels and accessories:

The business recorded revenue of RMB11.2 million that decreased from RMB57.3 million compared to preceding year. The gross profit margin remain at 32.5% compare with preceding year. The revenue of apparels and accessories of the Group was affected by the internal purchasing power for second quarter.

## 2. Variation of results against immediate preceding quarter

	Current quarter 30-Jun-15 RMB'000	Preceding quarter 31-Mar-15 RMB'000	Current quarter 30-Jun-15 RM'000	Preceding quarter 31-Mar-15 RM'000
Revenue	155,721	137,587	96,409	82,186
Gross profit	27,191	25,554	16,851	15,265
Profit after taxation	(10,196)	10,311	(6,088)	6,159

For second quarter performance, the Group recorded revenue of RMB155.7 (RM96.4) million and loss after taxation of RMB10.2 (RM6.1) million.

As compared with quarter 1 2015, revenue of current quarter has increased by 13.2% attributable to sales of shoes soles and accessories and offset by fashion apparels.

However, the gross profit margin for the current quarter slightly dropped to 17.5% from 18.6% for the preceding quarter. The fall was caused by higher production costs arising from rises in labour and overhead costs.

## 3. Prospects for FYE 2015

Our Company believes that the demand for sports-shoe soles and sports shoes remain competitive in China but will foresee there is an opportunity to 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	3,593	2,219	6,292	3,831

- 1) 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	601,715	366,408	589,381	304,946
Unrealised	(107)	(64)	(168)	(87)
	<u>601,608</u>	<u>366,344</u>	<u>589,213</u>	<u>304,859</u>
Consolidation adjustments	1,514	898	1,514	801
Total Group retained profits as per Consolidated accounts	<u><u>603,122</u></u>	<u><u>367,242</u></u>	<u><u>590,727</u></u>	<u><u>305,660</u></u>

#### 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)	(1,021)	(622)
Interest expenses	43	30	370	225
Depreciation and amortisation	6,316	3,919	12,659	7,708

## 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	3,960	2,138	1,822	(2)
(iii)	Advertising and branding	3,000	3,000	Nil	
(iv)	Enhancement of product development capabilities	4,000	5,245	(1,245)	(2)
(v)	Working capital	1,000	1,000	Nil	
(vi)	Estimated Listing expenses	7,000	7,695	(695)	(3)
	<b>Total proceeds</b>	<b>48,960</b>	<b>114,485</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 1st 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.

## 8 Status of corporate proposals and utilisation of proceeds (Cont.)

### (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 RM'000
(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 30 June 2015 were as follow: -

<u>Short term borrowings and debts securities</u>	<b>RMB'000</b>	<b>RM'000</b>
Bank loans - secured	11,500	7,002

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.



### 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 30 June 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 30 June 2015 and 2014 respectively.

#### The Group

	Individual Quarter		Individual Quarter	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	RMB	RMB	RM	RM
	Cents	Cents	Sen	Sen
Basic earnings per share is based on:				
Profit after taxation attributable to ordinary shareholders of the C	(1.97)	3.68	(1.18)	1.86

	Cumulative Quarter		Cumulative Quarter	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	RMB	RMB	RM	RM
	Cents	Cents	Sen	Sen
Basic earnings per share is based on:				
Profit after taxation attributable to ordinary shareholders of the C	0.02	7.23	0.01	3.74

The Company and the Group	Weighted average no. of shares	
	30-Jun-15	30-Jun-14
At beginning of year and at end of year	517,500,000	517,500,000

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.

**13 Net asset and earnings per share (Cont.)**

The numbers of warrants outstanding as at 30 June 2015 are 258,750,000.

<u>Exercisable period</u>	Number of warrant
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.