

**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Sep-15  
**Quarter** : 3

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

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT 30-Sep-15 RMB'000	AS AT 31-Dec-14 RMB'000	AS AT 30-Sep-15 RM'000 (1)	AS AT 31-Dec-14 RM'000 (1)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		267,543	260,078	185,113	147,750
Intangible assets		15,269	17,855	10,565	10,143
		<b>282,812</b>	<b>277,933</b>	<b>195,678</b>	<b>157,893</b>
<b>Current assets</b>					
Inventories		15,246	18,369	10,549	10,435
Trade receivables		129,197	132,376	89,391	75,203
Prepayment and other receivables		12,948	3,199	8,959	1,817
Cash and bank balances		544,192	575,988	376,528	327,219
		<b>701,583</b>	<b>729,932</b>	<b>485,427</b>	<b>414,674</b>
<b>Total assets</b>		<b>984,395</b>	<b>1,007,865</b>	<b>681,105</b>	<b>572,567</b>
<b>EQUITY AND LIABILITY</b>					
<b>Capital and Reserves</b>					
Share capital		87,681	175,361	60,666	99,623
Reserve		794,576	720,940	549,770	409,566
<b>Total equity</b>		<b>882,257</b>	<b>896,301</b>	<b>610,436</b>	<b>509,189</b>

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

PARTICULARS	NOTE	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		AS AT	AS AT	AS AT	AS AT
		30-Sep-15	31-Dec-14	30-Sep-15	31-Dec-14
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)
<b>Current liabilities</b>					
Trade payables		61,172	63,879	42,324	36,288
Accrued liabilities and other payables		25,862	31,714	17,894	18,017
Income tax payable		3,604	4,471	2,494	2,540
Interest-bearing bank borrowings		11,500	11,500	7,957	6,533
		<b>102,138</b>	<b>111,564</b>	<b>70,669</b>	<b>63,378</b>
<b>Total equity and liabilities</b>		<b>984,395</b>	<b>1,007,865</b>	<b>681,105</b>	<b>572,567</b>
Net Assets per share attributable to equity holders of the Group (Cents in RMB / RM)	B13	170.48	173.20	117.96	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 0.6919 as at 30 September 2015 and RMB1 to RM0.5345 as at 30 September 2014.*

**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Sep-15  
**Quarter** : 3

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		30-Sep-15 RMB'000	30-Sep-14 RMB'000	30-Sep-15 RM'000 (1)	30-Sep-14 RM'000 (1)
Revenue		142,938	175,431	123,244	99,778
Cost of sales		(127,685)	(138,259)	(108,312)	(78,553)
Gross Profit		15,253	37,172	14,932	21,225
Other income		584	596	501	338
Selling and distribution expenses		(5,738)	(9,286)	(4,790)	(5,167)
Administrative expenses		(23,289)	(9,385)	(19,207)	(5,351)
Finance costs		(187)	(186)	(160)	(113)
Profit/(Loss) before taxation		(13,377)	18,911	(8,724)	10,932
Income tax expenses		(782)	(5,606)	(1,064)	(3,182)
Profit / (loss) after taxation		(14,159)	13,305	(9,788)	7,750
Total comprehensive income / (loss)for the period		(14,159)	13,305	(9,788)	7,750
Profit / (Loss) attributable to :					
- Equity holders of the Group		(14,159)	13,305	(9,788)	7,750
Total comprehensive income / (loss) attributable to :					
- Equity holders of the Group		(14,159)	13,305	(9,788)	7,750

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

PARTICULARS	NOTE	INDIVIDUAL QUARTER		INDIVIDUAL QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		30-Sep-15 RMB'000	30-Sep-14 RMB'000	30-Sep-15 RM'000 (1)	30-Sep-14 RM'000 (1)

Earnings (loss) per share attributable to equity holders of the Group :

Basic (cents in RMB / RM)	B13	(2.74)	2.57	(1.89)	1.50
Diluted (cents 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 0.6919 as at 30 September 2015 and RMB1 to RM0.5345 as at 30 September 2014.*

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**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Sep-15  
**Quarter** : 3

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		30-Sep-15 RMB'000	30-Sep-14 RMB'000	30-Sep-15 RM'000 (1)	30-Sep-14 RM'000 (1)
Revenue		436,246	526,923	301,839	281,640
Cost of sales		(368,248)	(410,373)	(254,791)	(219,345)
Gross Profit		67,998	116,550	47,048	62,295
Other income		1,757	1,713	1,216	916
Selling and distribution expenses		(15,609)	(21,181)	(10,800)	(11,321)
Administrative expenses		(60,559)	(28,908)	(41,901)	(15,452)
Finance costs		(557)	(1,001)	(385)	(535)
Profit before taxation		(6,970)	67,173	(4,822)	35,903
Income tax expenses		(7,074)	(16,463)	(4,895)	(8,800)
Profit after taxation		(14,044)	50,710	(9,717)	27,103
Total comprehensive income for the period		(14,044)	50,710	(9,717)	27,103
Profit / (Loss) attributable to :					
- Equity holders of the Group		(14,044)	50,710	(9,717)	27,103
Total comprehensive income / (loss) attributable to :					
- Equity holders of the Group		(14,044)	50,710	(9,717)	27,103

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

PARTICULARS	NOTE	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
		30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
		RMB'000	RMB'000	RM'000 (1)	RM'000 (1)

Earnings (loss) per share attributable to equity holders of the Group :

Basic (cents in RMB / RM)	B13	(2.71)	9.80	(1.88)	5.24
Diluted (cents 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 0.6919 as at 30 September 2015 and RMB1 to RM0.5345 as at 30 September 2014.*

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**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Sep-15  
**Quarter** : 3

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	← Attributable to Equity Holders of The Group →						
	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Merger Deficit RMB'000	Contributed Surplus 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
Effect of Par Value Reduction	(87,680)	-	-	-	87,680	-	-
Net profit / (loss) for the period	-	-	-	-	-	(14,044)	(14,044)
<b>Balance At 30 September 2015</b>	<b>87,681</b>	<b>137,003</b>	<b>35,846</b>	<b>(54,916)</b>	<b>87,680</b>	<b>588,963</b>	<b>882,257</b>

	← 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)	Merger Deficit RM'000 (1)	Retained Earnings RM'000 (1)	Total Equity RM'000 (1)
Balance At 1 January 2015	121,332	94,794	24,802	(37,996)	-	417,221	620,153
Effect of Par Value Reduction	(60,666)	-	-	-	60,666	-	-
Net profit / (loss) for the period	-	-	-	-	-	(9,717)	(9,717)
<b>Balance At 30 September 2015</b>	<b>60,666</b>	<b>94,794</b>	<b>24,802</b>	<b>(37,996)</b>	<b>60,666</b>	<b>407,504</b>	<b>610,436</b>

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 0.6919 as at 30 September 2015 and RMB1 to RM0.5345 as at 30 September 2014.

**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Sep-15  
**Quarter** : 3

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 2014	175,361	137,426	27,203	(54,916)	553,323	838,397
Net profit for the period	-	-	-	-	50,710	50,710
Balance At 30 September 2014	175,361	137,426	27,203	(54,916)	604,033	889,107

	← 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	73,455	14,540	(29,353)	295,751	445,123
Net profit for the period	-	-	-	-	27,103	27,103
Balance At 30 September 2014	90,730	73,455	14,540	(29,353)	322,854	472,226

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.

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**Company Name** : MULTI SPORTS HOLDINGS LTD  
**Stock Name** : MSPORTS  
**Financial Period Ended** : 30-Sep-15  
**Quarter** : 3

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	UNAUDITED PERIOD 30-Sep-15 RMB'000	UNAUDITED PERIOD 30-Sep-14 RMB'000	UNAUDITED PERIOD 30-Sep-15 RM'000 (1)	UNAUDITED PERIOD 30-Sep-14 RM'000 (1)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (loss) before taxation	(6,970)	67,173	(4,822)	35,903
Adjustments for :-				
Depreciation of property, plant and equipment	16,573	16,315	11,467	8,720
Amortisation of intangible assets	2,586	476	1,789	255
Interest income	(1,529)	(1,379)	(1,058)	(737)
Interest expense	557	1,001	385	535
Operating profit before working capital changes	11,217	83,586	7,761	44,676
Decrease / (Increase) in inventories	3,123	9,566	2,161	5,113
Decrease/ (increase) in trade receivables	3,179	10,182	2,200	5,442
Decrease/ (increase) in prepayment and other receivables	(9,750)	(790)	(6,746)	(423)
Increase / (decrease) in trade payables	(2,706)	5,520	(1,872)	2,951
Increase / (decrease) in other payables	(5,852)	(5,517)	(4,049)	(2,949)
Net cash generated from operations	(789)	102,547	(545)	54,810
Income tax paid	(7,941)	(17,102)	(5,494)	(9,141)
Interest received	1,529	1,379	1,058	737
Interest paid	(557)	(1,001)	(385)	(535)
Net cash generated from operating activities	(7,758)	85,823	(5,366)	45,871
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(24,038)	(5,061)	(16,632)	(2,705)
Net cash used in investing activities	(24,038)	(5,061)	(16,632)	(2,705)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of bank loan	-	(16,000)	-	(8,552)
Net cash used in financing activities	-	(16,000)	-	(8,552)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(31,796)	64,762	(21,998)	34,614
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	575,988	501,440	398,526	268,020
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	544,192	566,202	376,528	302,634

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	UNAUDITED PERIOD 30-Sep-15 RMB'000	UNAUDITED PERIOD 30-Sep-14 RMB'000	UNAUDITED PERIOD 30-Sep-15 RM'000 (1)	UNAUDITED PERIOD 30-Sep-14 RM'000 (1)
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	544,192	566,202	376,528	302,634
Less: Deposit pledged with bank	-	-	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>544,192</b>	<b>566,202</b>	<b>376,528</b>	<b>302,634</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 SEPTEMBER 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 September 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	17,556	13,139	79,234	286,128	37,081	3,108	436,246
Segment profit / (loss)	1,245	920	5,681	20,451	(30,844)	(2,584)	(5,131)
Unallocated interest income							-
Unallocated other expenses							(1,839)
<b>Profit from Operation</b>							<b>(6,970)</b>

### Other information:

Interest income	62	46	282	1,013	116	10	1,529
Interest expenses	22	17	103	368	43	4	557
Additional to non-current assets*	1,058	781	4,826	17,373	-	-	24,038
Depreciation and amortisation	744	549	3,394	12,215	2,083	174	19,159

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

Financial period ended 30 September 2015

(Unaudited)

Segment assets	41,744	30,835	190,469	685,625	32,347	2,711	983,731
Segment liabilities	4,233	3,127	19,318	69,539	3,496	293	100,006

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

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

Segment assets	983,731
Unallocated prepayment and other receivable	27
Unallocated cash at bank and on hand	637
<b>Total assets</b>	<b>984,395</b>

**7. Segment Information (Cont.)**
**Segment liabilities are reconciled to total liabilities as follows:-**

Segment liabilities	100,006
Unallocated income tax payable	-
Unallocated accrual and other payables	2,132
<b>Total liabilities</b>	<b>102,138</b>

**Business Segments**
**Financial period ended 30 September 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	12,147	9,091	54,822	197,972	25,657	2,150	301,839
<b>Segment profit / (loss)</b>	861	636	3,931	14,150	(21,341)	(1,787)	(3,550)
Unallocated interest income							-
Unallocated other expenses							(1,272)
<b>Profit from Operation</b>							<b>(4,822)</b>

**Other information:**

Interest income	43	32	195	700	81	7	1,058
Interest expenses	16	11	71	256	29	2	385
Additional to non-current assets*	731	541	3,339	12,021	-	-	16,632
Depreciation and amortisation	515	381	2,348	8,450	1,441	121	13,256

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

**Financial period ended 30 September 2015**

(Unaudited)

Segment assets	28,883	21,335	131,785	474,384	22,380	1,875	680,642
Segment liabilities	2,929	2,164	13,366	48,114	2,419	203	69,195

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

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

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

Segment assets	680,642
Unallocated prepayment and other receivable	22
Unallocated cash at bank and on hand	441
<b>Total assets</b>	<b>681,105</b>

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

Segment liabilities	69,195
Unallocated income tax payable	-
Unallocated accrual and other payables	1,474
<b>Total liabilities</b>	<b>70,669</b>

**Business Segments**

**Financial period ended 30 September 2014**

**(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
<b>Segment revenue</b>							
- External sales	22,072	12,142	84,899	333,626	71,206	2,978	526,923
<b>Segment profit</b>	3,109	1,705	12,216	47,685	3,090	141	67,946
Unallocated interest income							40
Unallocated other expenses							(813)
<b>Profit from Operation</b>							<b>67,173</b>

**Other information:**

Interest income	58	32	226	882	173	8	1,379
Interest expenses	(42)	(23)	(164)	(640)	(126)	(6)	(1,001)
Additional to non-current assets*	243	133	955	3,730	-	-	5,061
Depreciation and amortisation	(800)	(439)	(3,142)	(12,263)	(141)	(6)	(16,791)

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

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

Segment assets	46,451	25,479	182,534	712,485	28,288	1,289	996,526
Segment liabilities	4,767	2,615	18,735	73,129	1,784	81	101,111

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

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

Segment assets	996,526
Unallocated prepayment and other receivable	451
Unallocated cash at bank and on hand	135
<b>Total assets</b>	<b>997,112</b>

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

Segment liabilities	101,111
Unallocated income tax payable	5,605
Unallocated accrual and other payables	1,289
<b>Total liabilities</b>	<b>108,005</b>

**Business Segments**
**Financial period ended 30 September 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	11,798	6,490	45,379	178,321	38,060	1,592	281,640
<b>Segment profit</b>	<b>1,661</b>	<b>911</b>	<b>6,530</b>	<b>25,487</b>	<b>1,652</b>	<b>75</b>	<b>36,316</b>
Unallocated interest income							21
Unallocated other expenses							(434)
<b>Profit from Operation</b>							<b>35,903</b>



## 7. Segment Information (Cont.)

### Other information:

Interest income	31	17	121	471	93	4	737
Interest expenses	(22)	(12)	(88)	(343)	(67)	(3)	(535)
Additional to non-current assets*	130	71	511	1,993	-	-	2,705
Depreciation and amortisation	(427)	(234)	(1,679)	(6,557)	(75)	(3)	(8,975)

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

### Financial period ended 30 September 2014 (Unaudited)

Segment assets	24,828	13,619	97,564	380,823	15,120	689	532,643
Segment liabilities	2,548	1,398	10,014	39,088	953	44	54,045

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

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

Segment assets	532,643
Unallocated prepayment and other receivable	240
Unallocated cash at bank and on hand	72
<b>Total assets</b>	<b>532,955</b>

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

Segment liabilities	54,045
Unallocated income tax payable	2,996
Unallocated accrual and other payables	688
<b>Total liabilities</b>	<b>57,729</b>
<b>Total liabilities</b>	<b>57,729</b>

## 8. Subsequent events

On 19 October 2015, the Company announce that the Baord of Directors had offered options to the eligible employees and Directors under the Employees' Share option Scheme ("ESOS"). The option offer to Directors Lin Houzhi and Lin Liying was 7,762,500 and 3,881,250 option respectively.

On 17 November 2015, The Employees and Directors have exercise their options for 77,622,000 shares under the ESOS. The directors Lin Houzhi and Lin Liying has exercise 7,762,000 and 3,881,000 share respectively.

Save for the above there is no other subsequent events for the period under review.

## 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	
	30-Sep-15 RMB'000	30-Sep-15 RM'000	30-Sep-15 RMB'000	30-Sep-15 RM'000
Property, plant and equipment	22,374	15,619	24,038	16,632
Intangible asset	-	-	-	-
	<u>22,374</u>	<u>15,619</u>	<u>24,038</u>	<u>16,632</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 quarter ended**

	<b>Unaudited 30-Sep-15 RMB' 000</b>	<b>Unaudited 30-Sep-14 RMB' 000</b>	<b>Change</b>
<b>Revenue</b>			
TPR shoe soles	5,422	7,777	(30.28%)
RB shoe soles	4,562	4,298	6.14%
MD1 shoe soles	27,104	31,422	(13.74%)
MD2 shoe soles	97,045	115,037	(15.64%)
	<u>134,133</u>	<u>158,534</u>	(15.39%)
Apparels	7,925	16,212	(51.12%)
Accessories	880	685	28.47%
	<u>8,805</u>	<u>16,897</u>	(47.89%)
<b>Total</b>	<u><u>142,938</u></u>	<u><u>175,431</u></u>	(18.52%)

**Overall:**

The Group recorded loss after taxation of RMB14.2 (RM9.8) million for the current year quarter compared to profit after tax of RMB13.3 (RM7.8) 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 18.52% due to current weaken in world economic as well as China economic which affect the buying decision in this quarter.

The gross profit margin has decreased from 21.2% to 10.7% and increased in operation cost from RMB18.7 (RM10.6) million to RMB29.2 (RM24.2) million which affected the profit of the group.

**Sport-shoe soles:**

The revenue dropped by 15.39% compared with preceding year. Sales for TPR, MD1 and MD2 have declined by 30.28%, 13.74% and 15.64% respectively and for RB increased by 6.14%. 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 September 2015 has decreased to 13.8% 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 5.3% in the current year.

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

### Apparels and accessories:

The business recorded revenue of RMB8.8 million that decreased from RMB16.9 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 and demand of for third quarter.

## 2. Variation of results against immediate preceding quarter

	Current quarter 30-Sep-15 RMB'000	Preceding quarter 30-Jun-15 RMB'000	Current quarter 30-Sep-15 RM'000	Preceding quarter 30-Jun-15 RM'000
Revenue	142,938	155,721	123,244	96,409
Gross profit	15,253	27,191	14,932	16,851
Profit / (loss) after taxation	(14,159)	(10,196)	(9,788)	(6,088)

For third quarter performance, the Group recorded revenue of RMB142.9 (RM123.2) million and loss after taxation of RMB14.2 (RM9.8) million.

As compared with second quarter 2015, revenue of current quarter has decreased by 8.2% attributable to sales of shoes soles, apperal and accessories and offset by fashion apparels.

However, the gross profit margin for the current quarter dropped to 10.7% from 17.5% 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 and challenge in China for FYE 2015. However in long run the management will foresee that there is an opportunity to increase in the future after the economic reform in China. The board and the management will take reasonable step to ensure that the business will be continue to be sustainable.

For apparels and accessories business, the Group will need to invest substantially in marketing and promotional expenses to ensure that the segment will contribute significant incomes for the Group in future.

#### 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	
	30-Sep-15	30-Sep-15	30-Sep-15	30-Sep-15
	RMB'000	RM'000	RMB'000	RM'000
PRC income tax	782	1,064	7,074	4,895

- 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	
	30-Sep-15	30-Sep-15	30-Sep-14	30-Sep-14
	RMB'000	RM'000	RMB'000	RM'000
Realised	587,556	406,670	602,652	322,116
Unrealised	(107)	(64)	(133)	(71)
	<u>587,449</u>	<u>406,606</u>	<u>602,519</u>	<u>322,045</u>
Consolidation adjustments	1,514	898	1,514	809
Total Group retained profits as per Consolidated accounts	<u><u>588,963</u></u>	<u><u>407,504</u></u>	<u><u>604,033</u></u>	<u><u>322,854</u></u>

#### 7. Profit before taxation

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

	Current Quarter		Current Year-to-date	
	30-Sep-15	30-Sep-15	30-Sep-15	30-Sep-15
	RMB'000	RM'000	RMB'000	RM'000
<b>After Crediting</b>				
Interest income	(508)	(436)	(1,529)	(1,058)
<b>After Charging</b>				
Interest expenses	187	160	557	385
Depreciation and amortisation	6,500	5,548	19,159	13,256

## 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>114,485</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		(1)
(ii) Working capital	17,747	22,859	(5,112)	(2)
(iii) Estimated issuance expenses	2,300	2,653	(353)	(3)
<b>Total proceeds</b>	<b>35,728</b>	<b>30,153</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 September 2015 were as follow: -

<u>Short term borrowings and debts securities</u>	<b>RMB'000</b>	<b>RM'000</b>
Bank loans - secured	<u>11,500</u>	<u>7,957</u>

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 September 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 September 2015 and 2014 respectively.

#### The Group

	Individual Quarter		Individual Quarter	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
	RMB	RMB	RM	RM
	Cents	Cents	cents	cents
Basic earnings per share is based on:				
Profit after taxation attributable to ordinary shareholders of	(2.74)	2.57	(1.89)	1.50

	Cumulative Quarter		Cumulative Quarter	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
	RMB	RMB	RM	RM
	Cents	Cents	cents	cents
Basic earnings per share is based on:				
Profit after taxation attributable to ordinary shareholders of the Company	(2.71)	9.80	(1.88)	5.24

The Company and the Group	Weighted average no. of shares	
	30-Sep-15	30-Sep-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 September 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.