



## **Maxwell to double production capacity upon listing in January 2011**

China-based sports footwear designer and manufacturer, Maxwell International Holdings Bhd, expects to double its production capacity to 16 million pairs annually with the construction of a new factory in Jinjiang, Fujian. Maxwell has targeted to list on the main market of Bursa Malaysia Securities Bhd in early January next year.

Chairman and Executive Director Jenny Li said, with an anticipated increase in global demand for sportswear, the group intends to install four new production lines with new ancillary machinery and upgrade its existing production facilities with new equipment, to create higher value-added products. The construction of the plant is expected to begin in the second half of 2011 and be completed by 2012. The group currently has four in-house production lines which provide an annual capacity of eight million pairs of sports shoes.

The cost of constructing the new factory is estimated to be RM37.5 million, to be financed by the group's internally-generated funds and/or bank borrowings. The group has targeted to list on Bursa Malaysia with a market capitalisation of RM216 million at the IPO.

Its IPO consists of a public issue of 63.75 million new shares at an issue price of 54 sen each, raising RM34.4 million in proceeds. Of the total, 20 million shares will be allocated for the Malaysian public and 43.75 million shares for private placement to selected investors.

The IPO proceeds consist of RM12 million allocated for an expansion of production lines, new machinery and upgrading of existing production facilities, RM6 million for expansion of the group's design and development (D&D) efforts, RM9.7 million for working capital and RM6.8 million to defray listing expenses.

As part of strengthening its D&D efforts to remain competitive, Jenny said the group intends to enhance product design from the current average of 1,000 per annum to 1,500. Going forward, she added, Maxwell hopes to extend its business through acquisitions, joint ventures or form strategic alliances in China as well as through expansion into the Malaysian market.