

A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

本期间截至2014年12月31日未经审核中期财务报告的选定解释说明

1. Basis of accounting and changes in accounting estimates 会计基础和会计估计变更

a) Basis of accounting 会计基础

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") 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 consolidated financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

本中期财务报表是未经审核,并编制按照马来西亚证财务报告准则("会计准则") 134:中期财务报告由马来西亚会计准则理事会发布和马来西亚证券交易所("证券交易所") 9.22 段上市要求,并应阅读与本集团截至 2013 年 12 月 31 日经审核的综合财务报表和附于本中期财务报告并附解释说明.

b) Malaysian Accounting Standards Board ("MASB") approved accounting standards 马来西亚会计准则理事会("MASB")批准的会计准则

MFRSs, Amendments to MFRSs and IC Interpretations have been issued by the MASB and are not yet effective as follows:

马来西亚会计准则理事会已颁布,尚未生效的新订/修订《财务报告准则》和 IC 诠释如下:

Effective for financial periods beginning on or after 有效财务期间自下列日期起或之后

New MFRSs

新订《财务报告准则》

MFRS 9 Financial Instruments 金融工具 1/1/2018 MFRS 14 Regulatory Deferral Accounts 1/1/2016 监管递延账户

MFRS 15 Revenue from Contracts with

Customers

与客户从合同收益

Amendments/Improvements

to MFRSs

修订/改进《财务报告准

则》

MFRS 2 Share-based Payment 1/7/2014

以股份为基础的支付

MFRS 3 Business Combinations 1/7/2014

业务合并

1/1/2017



MFRS 5	Non-current Assets Held for Sale and Discontinued Operations 持有待售及终止经营的非流动资 产	1/1/2016
MFRS 7	Financial Instruments: Disclosures 金融工具: 披露	1/1/2016
MFRS 8	Operating Segments 经营分部	1/7/2014
MFRS 10	Consolidated Financial Statements 合并财务报表	1/1/2016
MFRS 11	Joint Arrangements 联合安排	1/1/2016
MFRS 13	Fair Value Measurement 公允价值计量	1/7/2014
MFRS 116	Property, Plant and Equipment 物业,厂房及设备	1/7/2014 & 1/1/2016
MFRS 119	Employee Benefits 员工福利	1/7/2014 & 1/1/2016
MFRS 124	Related Party Disclosures 关联方披露	1/7/2014
MFRS 127	Consolidated and Separate Financial Statements 综合及独立财务报表	1/1/2016
MFRS 128	Investments in Associates 投资在联营公司	1/1/2016
MFRS 134	Interim Financial Reporting 中期财务报告	1/1/2016
MFRS 138	Intangible Assets 无形资产	1/7/2014 & 1/1/2016
MFRS 140	Investment Property 投资物业	1/7/2014
MFRS 141	Agriculture 农业	1/1/2016

Due to complexity, the financial effects of the above MFRSs, Amendments to MFRSs and IC Interpretations are still being assessed.

由于上述新订《财务报告准则》,修订《财务报告准则》和 IC 诠释的复杂性,财务影响仍在评估中.

The management does not anticipate that the adoption of the above MFRSs will result in any material impact to the financial statements in the initial adoption period.

管理层并不预期上述马来西亚财务报告准则在财务报表期间首次采纳会产生任何重大影响.

2. Seasonality or cyclicality of operation 季节性或周期性运作

We experienced lower level of production activities due to fewer working days resulting from the Chinese New Year holidays in the first quarter of the year. Other than the above factors, the business of the Group was not affected by any significant seasonal and cyclical factors during the period under review.

因第一季度的春节假期,造成我们经历了较少生产工作日.除上述因素外,在审查期间,本集团的业务没有受到任何明显的季节性和周期性影响.



3. Unusual items 不寻常事项

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.

在本季度及财政年初至今,没有不寻常事项影响本集团的资产,负债,所有者权益,净收入或现金流量.

4. Changes in estimates 估计变化

There were no material changes in estimates for the current quarter and financial year-to-date. 在当前季度和财政年初至今并无重大估计变化.

5. Changes in share capital and debts 股本及债务变动

(i) Share capital and debts 股本及债务

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

在当前财政年度至今,还没有发行,取消,转售和偿还债务及股本.

(ii) Share buybacks / Treasury shares of the Company 本公司回购股份/库存股

During the current quarter, the company purchased 1,139,400 ordinary shares for a total cash consideration of RM247,580 from the open market at an average cost of RM0.2173 per share. The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965 in Malaysia. Summary of the share buybacks is as follows:

本季度,公司从公开市场购买了 1,139,400 普通股,马币 247,580,每股平均成本为马币 0.2173。回购股份作为库存股,并按照马来西亚 1965 年公司法第 67A 处理。股票回购的摘要如下:

				Average cost	Total
	Number			(including	amount
	of shares	Highest	Lowest	transaction costs)	paid
	股份数目	price	price	平均成本	支付的款
		最高价	最低价	(包括交易成本)	项总额
		RM	RM	RM	RM
21/10/2014	110,000	0.2100	0.2050	0.2088	22,970
23/10/2014	150,000	0.2250	0.2100	0.2148	32,213
24/10/2014	130,000	0.2250	0.2250	0.2266	29,464
28/10/2014	90,000	0.2250	0.2200	0.2285	20,344
5/11/2014	50,000	0.2250	0.2200	0.2257	11,283
11/11/2014	200,000	0.2150	0.2100	0.2160	43,193
12/11/2014	209,400	0.2100	0.2100	0.2115	44,295
13/11/2014	100,000	0.2150	0.2150	0.2166	21,657
19/11/2014	100,000	0.2200	0.2200	0.2216	22,161
Current quarter 本季度	1,139,400			0.2173	247,580

As at 31 December 2014, the Company held as treasury shares for a total of 2,139,400 of its 400,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM605,797.

截至2014年12月31日,公司从400,000,000已发行普通股,持有库存股为2,139,400。这库存股的账面价值为马币605,797.



6. Segment Information 分部信息

No separate analysis of segment information by business or geographical locations is presented as the Group's major business comprises the manufacture and sales of sports shoes. The Group's revenue, assets and capital expenditure are principally attributable to a single geographical region, which is the People's Republic of China ("PRC").

无按业务分部或地理位置呈现单独分析信息,因本集团的主要业务包括制造及销售运动鞋. 本集团的收入,资产和资本开支主要来自单一的地理区域,既中华人民共和国.

7. Changes in the composition of the Group 集团结构的变化

There were no significant changes in the composition of the Group during the current quarter, except for the following:-

在本季度集团没有重大结构的变化,除以下:

(i) On 17 October 2014, the Company completed the incorporation of a wholly-owned subsidiary company, namely Maxwell International Trading Sdn Bhd. The principal activity of Maxwell International Trading Sdn Bhd will operate as a trading company.

2014年10月17日,公司完成注册成立的一家全资子公司,即麦斯威国际贸易有限公司。麦斯威国际贸易有限公司的主要业务将作为一个贸易公司.

8. Contingent liabilities or assets 然负债或资产

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 balance sheet date.

自上资产负债表日,无重大然负债及资产,在成为强制执行可能对本集团的财务状况产生重大影响.

9. Capital commitments 资本承诺

The outstanding capital commitments at the end of the current quarter are as follows: 当前季度结束时的资本承诺如下:

Current quarter (本季度) RM'000

Approved and contracted for(批准及订约) 5,246



10. Significant related party transaction 重大关联方交易

	Current quarter (本季度) RM'000	Current year-to-date (当前年初至今) RM'000
Sales to a related party (销售给关联方)	8,411	33,457
Rental payables to a related party (应付关联方的租金)	23	90
Operational fee payables to a related party (应付 关联方的运营费)	80	354
Management fee payables to a related party (应付关联方的管理费)	354	354
IT service fee payables to a related party (应付关 联方的 IT 服务费)	200	200

All sales contracts have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

所有的销售合同订立均在正常经营业务中和已建立的条款及条件在与非相关方交易时无重 大差异。

11. Subsequent events 随后发生的事件

There were no material events subsequent to the end of the financial period under review that have not been reflected in this quarterly report as at the date of this report.

截至本报告日,在本财政期间并无重大随后发生的事件尚未反映在此季度报告中.

12. Dividends 股息

No dividends were declared by the Group for the current quarter. 本集团于本季度无宣布任何股息.

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B. INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD UNDER LISTING REQUIRMENTS 大马交易所上市要求的信息

1. Review of the performance of the Group 本集团表现之述评

The Group recorded revenue of RM52.4 million and loss after taxation ("PAT") of RM0.015 million respectively for the current quarter and revenue of RM230.3 million and profit after taxation ("PAT") of RM18.2 million respectively for the financial year-to-date.

本集团本季度取得马币5,240万元的营业额及马币1.5万元的税后盈利及财政年初至今取得马币2.303亿元的营业额及马币1,820万元的税后盈利.

The revenue of RM52.4 million for the current quarter represents a decrease of 5.7% as compared to the revenue of RM55.6 million recorded for the preceding year corresponding quarter. 当前季度营业额马币5.240万元,减少5.7%,相比在上一年相应的季度,马币5.560万元.

The decrease in revenue for the current quarter was in line with the Group's slightly decrease in number of pair of sports shoes sold. However it was partly offset by increase in average selling price of our products of sports shoes approximately RM38.78 a pair of sport shoe as compared to approximately RM34.14 a pair of sport shoe for preceding year corresponding quarter.

当前季度的收入减少符合本集团轻微减小对销售运动鞋的数量. 然而, 部分被产品的平均售价增加抵消,从大约马币38.78一双运动鞋,相比大约马币34.14一双运动鞋在上一年相应的季度。

Between financial year ended ("FYE") 2013 and 2014, the overall gross profit margin decreased from 23.4% to 21.4%. The overall gross profit margin of 21.4% was the management's minimal limit before accepting orders from customers as the Company quotes were based on an internal cost structure and applies a mark-up.

2013年和2014年财政期间,整体毛利也有下降,从23.4%至21.4%.整体毛利率21.4%仍是管理层接受客户订单报价上限的基础既公司报价基于内部成本结构加上利润.

Other income 其他收入

Other income mainly comprises of interest income on bank balances. Interest income on bank balances accounted for 74.6% and 81.8% of total other income for FYE 2013 and FYE 2014 respectively.

其他收入主要包括银行结余的利息收入。在 2013 年和 2014 年财政期间,银行结余利息收入分别占其他收入总额的 74.6%和 81.8%。

Selling and distribution expenses 销售及分销开支

Selling and distribution expenses comprise mainly salaries, exhibition & promotion, design and development, testing and other related expenses. Between FYE 2013 and FYE 2014, the overall selling and distribution expenses increased by approximately RM2.3 million from RM2.3 million in FYE 2013 to RM4.6 million in FYE 2014. The increase was mainly due to expenses incurred in retail group of companies (ie Maxwell Hong Kong & Maxwell Xiamen) amounted to RM0.9 million in FYE2013 to RM3.3 million in FYE2014.

销售及分销开支主要是员工薪金,展览&推广,研发,测试及其他相关费用。整体的销售及分销开支增加约马币230万元,从2013年财政期间的马币230万元至2014年财政期间的马币460万元.增加主要是由于支付开支在集团旗下零售公司(即麦斯威香港和麦斯威厦门)从2013年财政期间的马币90万元万元至2014年财政期间的马币330万元.



Administrative Expenses 行政开支

Administrative expenses comprises mainly salaries and staff-related expenses of general administrative staff, depreciation charges for buildings and office equipment, amortisation of land use rights, telecommunication expenses, rental expenses and other general office overheads. Between FYE 2013 and FYE 2014, the overall administrative expenses increased by approximately RM4.9 million from RM10.5 million in FYE 2013 to RM15.4 million in FYE 2014. The increase was mainly due to additional provision of social insurance contribution in amounted to RM2.3 million in FYE2013 to RM6.2 million in FYE2014.

行政开支主要是一般行政人员和员工的相关薪金,建筑和办公设备折旧,土地使用权摊销,电信费用,租金开支及其他一般管理费用。2013年和2014年财政期间,整体的行政开支增加约马币490万元,从2013年财政期间的马币1,050万元至2014年财政期间的马币1,564万元.增加主要是由于支付开支增加额外社保费预提,从2013年财政期间的马币230万元至2014年财政期间的马币620万元。

Other expenses 其他开支

Other expenses comprise mainly foreign exchange loss. Unrealised foreign exchange loss accounted for 73.6% and 86.9% of other expenses for FYE 2013 and FYE 2014 respectively. 其他开支主要包括汇兑损失。在2013年和2014年财政期间,未实现的汇兑损失分别占73.6%及86.9%。

Profit before taxation 税前盈利

The Group recorded a decrease in profit before Taxation of 48.4%, RM27.9 million for the current year as compared to preceding year of RM57.6 million.

本集团税前盈利减少48.4%, 从本年度马币2,790万元相比在上一年相应的年度马币5,760万元.

The decrease was primarily due to decrease in gross profit in first half of year 2014. Furthermore, the decrease was also partly due to additional expenses incurred in the current year as disclosed in administrative expenses and selling and distribution expenses. OEM/ODM of sport shoes business is still making profit before tax of RM39.3 million.

减少主要是由于毛利减少在2014年上半年. 此外, 减少的部分原因是由于额外开支在本年度发生既在行政开支和销售及分销开支中所披露。OEM / ODM的运动鞋业务仍然取得税前盈利马币3.930万元。

Profit after taxation税后盈利

In FYE 2014, the Group posted a PAT of RM18.2 million after deducting income tax expense of RM9.8 million. The effective tax rate of 34.9% was higher than the statutory tax rate of 25% due mainly to non-deductible post listing expenses incurred at the holding company and retail group of companies (ie Maxwell Hong Kong & Maxwell Xiamen).

在2014年财政期间,本集团取得税后盈利为马币1,820万元,在扣除所得税费用为马币980万元之后.34.9%的实际税率于25%的法定税率,这主要是由于不可扣税的上市后开支在控股公司及集团旗下零售公司(即麦斯威香港和麦斯威厦门).



2. Variation of results against immediate preceding quarter 对比上一季度的变动结果

	Current quarter	Preceding quarter
	(本季度)	(上一季)
	31/12/2014	30/9/2014
	RM'000	RM'000
Revenue 营业额	52,443	92,666
Profit before taxation 税前盈利	1,090	17,353
Profit after taxation 税后盈利	15	12,180
Profit before taxation margin 税前盈利率	2.1%	18.7%
Profit after taxation margin 税后盈利率	0.0%	13.1%

Save as disclosed under notes A2, the Group's other quarter results are not affected by any significant seasonal and cyclical factors.

除披露在 A2, 本集团其它季度的业绩不会受到任何明显的季节性和周期性影响.

3. Prospects for FYE 2015 (展望 2015 年)

We are cautiously positive that our business is expected to be stable in 2015, despite a less robust global economic outlook which may derail the respective countries consumers' confidence, sentiment, spending behaviour and pattern in 2015.

我们谨慎正面地认为,我们的业务预计在 2015 年将持稳,尽管不太强劲的全球经济前景,在 2015 年这可能破坏各自国家的消费信心,情绪,消费行为和模式。

Our Group remains optimistic about the long-term growth potential of the sportswear and fashion business market. To maintain our competitive edge, we will continue to focus on our Group's strategy of product design and development, strengthening and expanding our sales and distribution network. Also, the Group is in the process of transformation of business from purely OEM/ODM into integrated business model to diversify the risks.

本集团仍然乐观体育用品和时尚业务市场市场的长期增长潜力. 为了保持我们的竞争力,我们将继续专注于本集团的产品设计和发展战略,加强和扩大我们的销售和分销网络. 此外,本集团在业务转型的过程中从单纯的 OEM / ODM 转型为综合的经营模式,以分散风险.

4. Profit forecast and guarantee (盈利预测及保证)

No profit forecast or guarantees were previously announced and disclosed by the Group in any public document.

本集团在以前任何公布和披露的公开文件中,没有利润预测或保证.



5. Profit before taxation (税前盈利)

		Current
	Current quarter	year-to-date
	(本季度)	(当前年初至今)
	RM'000	RM'000
After charging (借记下列后): -		
Amortisation of land use rights (土地使用权的摊销)	260	684
Depreciation (折旧)	923	2,435
Foreign exchange loss (汇兑损失)	(273)	2,700
After crediting (贷记下列后): -		
Interest income (利息收入)	(301)	(1,237)

6. Income tax charge (所得税费用)

		Current
	Current quarter	year-to-date
	(本季度)	(当前年初至今)
	RM'000	RM'000
PRC income tax (中华人民共和国所得税)	1,077	9,752
Malaysia income tax (马来西亚所得税)	(3)	(1)
	1,074	9,751

PRC income tax is purely from OEM/ODM of sport shoes business. 中华人民共和国所得税纯粹是从 OEM / ODM 运动鞋的业务.

Pursuant to the PRC Enterprise Income Tax: Law passed by the Tenth National People's Congress on 16 March 2007, the new tax rates for domestic enterprises and foreign investment enterprises are standardised at 25% and took effect on 1 January 2008.

根据中华人民共和国企业所得税:于 2007 年 3 月 16 日第十届全国人民代表大会通过,为国内企业和外商投资企业的新税率在 25%,并于 2008 年 1 月 1 日生效.

Save as disclosed under notes B1, the Group's effective tax rates for the current quarter and financial year-to-date were 98.6% and 34.9% respectively, which were different from the statutory tax rate of 25%.

除披露在 B1,本集团在本季度及财政年初至今的实际税率为 98.6%和 34.9%,不同于法定税率的 25%.

As at 31 December 2014, no provisions were made for deferred tax as the Group does not have any material temporary differences between the tax bases of assets and liabilities and their carrying amounts, which give rise to a deferred tax asset or liability in the financial statements. 截至 2014年12月31日,没有预提递延税项由于本集团并无重大暂时差额在任何税基资产和负债与其账面值,导致在财务报表产生递延所得税资产或负债.



7. Status of corporate proposals and utilisation of proceeds 企业建议状态和资金的使用

• Corporate Proposal 企业建议

No corporate proposal has taken place up to the date of this Report, except for the following:-没有已发生企业建议直至本报告日期, 除以下:

Proposed bonus issue of 200,000,000 warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held on the entitlement date.

拟送 200,000,000 股凭单, 在授权日, 按每持有两(2) 现有普通的基础上获发一(1)股凭单.

• Utilisation of proceeds 所得款项的使用

The gross proceeds from the Public Issue amounting to RM34.4 million are expected to be fully utilized in the following manner:

从公开发行筹集所得款项总额马币 34.4 百万元预计将以下方式充分利用:

		Estimated timeframe for utilisation upon Listing 经上市预计使 用时间表	Proposed utilisation 建议使用 RM'000	Actual utilisation 实际使用 RM'000	Deviation Amount 偏差值 RM'000	Remark 备注
(i)	Expansion of our production capacity and upgrading of existing production facilities 扩大我们的生产能力和升级现有的生产设施	60 months 个月	12,000	2,396	9,604	#1
(ii)	Increase our product design and development efforts and expansion of product range 提高我们的产品设计和研发工 作和扩大产品范围	24 months 个月	6,000	6,000	-	
(iii)	Working capital purposes 营运资金用途	12 months 个月	9,675	9,675	-	
(iv)	Listing expenses 上市费用	Upon Listing 当上市	6,750	6,750	-	
	Total proceeds 总筹集款项	•	34,425	24,821	9,604	

#1. Jinjiang Zhenxing Shoes & Plastics Co. Ltd., ("Zhenxing Shoes"), a wholly-owned subsidiary of the Company, had through tendering process, tendered an industrial vacant land with 50 years of land use rights in Henan Province. The land is located at South Wei 6 Road, East He Qi Dadao in Qixian County, Hebi City, Henan Province, the People's Republic of China.

晋江振兴鞋塑有限公司("振兴鞋"),本公司的全资子公司,在河南省通过招标程序投标一块 50 年土地使用权的工业空置土地.该土地位于中国河南省鹤壁市淇县,纬六路南侧,鹤淇大道东侧.

8. Group borrowings and debt securities 集团借款及债务证券

There were no borrowings and debts securities in the Group as at 31 December 2014. 本集团截至 2014 年 12 月 31 日没有借款和债务证券.



9. Off-balance sheet financial instruments risks 资产负债表外的金融工具风险

There were no financial instruments with material off balance sheet risk at the date of issue of this quarterly report.

在本季度报告日,没有任何金融工具有重大资产负债表外的金融工具风险.

10. Changes in material litigation 重大诉讼的变化

As at the date of this report, our Group is not engaged whether as plaintiff or defendant in any legal action, proceedings, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of our Group, and our Directors are not aware of any pending or threatened proceedings which may give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

截至本报告日,本集团并无从事无论作为原告或被告在任何法律行动,诉讼,仲裁或任何刑事罪行起诉,这对本集团的财务状况产生重大影响,本公司董事不知道任何未决或威胁诉讼,可能会引起任可能造成重大不利影响本集团的财务状况或业务.

11. Earnings per share 每股盈利

The basic earnings per share are computed based on the Group's net profit for the year divided by the weighted average number of shares in issue:

每股基本盈利计算基于对本集团期间的净利润除以已发行股份之加权平均股数:

	INDIVIDUAL QUARTER (单季度)		CUMULATIVE QUARTER (累计季度)	
		Preceding year		Preceding year
	Current	corresponding	Current year to	corresponding
	quarter	quarter	date	quarter
	(本季度)	(上一年同季度)	(本年度至今)	(上一年度同期)
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net profit for the year 净利润 (RM)	15,454	4,037,248	18,176,014	41,709,573
Weighted average number				
of shares in issue 加权平均已发行股份	398,071,318	399,150,176	398,071,318	399,150,176
Basic earnings per share (sen) 基本每股收益 (仙)	0.00	1.01	4.57	10.45

The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.

本集团并无任何已发行的潜在普通股,因此每股摊薄盈利并无呈列。



12. Retained earnings 保留盈余

Our Group's realised and unrealised profits/losses as at 31 December 2014 and at 30 September 2014 were as follow: -

本集团的已变现及未变现利润/损失截至 2014年 12月 31日和 2014年 9月 30日如下:-

	Current quarter	Preceding quarter
	(本季度)	(上一季)
	31/12/2014	30/9/2014
	RM'000	RM'000
Total retained earnings of Maxwell and its subsidiaries 麥斯威及其子公司保留盈利总额:		
- Realised 已变现	333,851	333,941
- Unrealised 未变现	(800)	10
•	333,051	333,951
Add 加/Less 减: Consolidation adjustments 合并调整	(2,448)	(3,015)
Total retained earnings of Maxwell and its subsidiaries		
as per consolidated accounts		
麥斯威及其子公司保留盈利总额按照综合账目	330,603	330,936

13. Audit report of the Group's preceding annual financial statements 本集团上年度财务报表的审计报告

Our Group's audited consolidated financial statements for the financial year ended 31 December 2013 were not subject to any audit qualification.

本集团截至2013年12月31日财务年度经审核综合财务报表并没有任何审计意见.

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