

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

本期间截至 2015 年 3 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 2014 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 2014 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
<u>New MFRSs</u>		
<u>新订《财务报告准则》</u>		
MFRS 9	Financial Instruments 金融工具	1/1/2018
MFRS 14	Regulatory Deferral Accounts 监管递延账户	1/1/2016
MFRS 15	Revenue from Contracts with Customers 与客户从合同收益	1/1/2017
<u>Amendments/Improvements to MFRSs</u>		
<u>修订/改进《财务报告准 则》</u>		
MFRS 2	Share-based Payment 以股份为基础支付	1/7/2014
MFRS 3	Business Combinations 业务合并	1/7/2014

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 cyclicity 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

Except as disclosed below, there were no issuances, cancellations, resale and repayments of debt and equity securities for the current financial period to date:

除下文所披露,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:

(1) issuance of 199,430,300 warrants 2015/2020, which was listed on Bursa Malaysia on 30 March 2015.

2015年3月30日发行199,430,300认股权证2015/2020上市大马交易所。

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

During the current quarter, the Company did not purchase any of its own ordinary shares from the open market.

本季度,公司并没有从公开市场购买其普通股。

During the current quarter, the Company re-issued 1,000,000 treasury shares by resale in the open market. The average resale price of the treasury shares was RM0.235 per share.

本季度,公司通过转售在公开市场重新发行1,000,000库存股。库存股的平均售价为每股马币0.235。

Summary of the resale of treasury shares is as follows:

库存股转售的摘要如下:

	Number of shares 股份数目	Highest price 最高价	Lowest price 最低价	Average cost (including transaction costs) 平均成本 (包括交易成本)	Total amount paid 支付的款项总额
		RM	RM	RM	RM
13/3/2015	1,000,000	0.2350	0.2350	0.2340	234,025
Current quarter 本季度	1,000,000			0.2340	234,025

As at 31 March 2015, the Company held as treasury shares for a total of 1,139,400 of its 400,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM387,500.

截至2015年3月31日,公司从400,000,000已发行普通股,持有库存股为1,139,400。这库存股的账面价值为马币387,500。

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.
在本季度集团没有重大结构的变化.

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)	3,309	3,309

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 REQUIREMENTS 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 RM19.9 million and loss after taxation (“LAT”) of RM3.0 million respectively for the current quarter and the financial year-to-date.

本集团本季度及财政年初至今取得马币1,990万元的营业额及马币300万元的税后损失。

The revenue of RM19.9 million for the current quarter represents a decrease of 16.4% as compared to the revenue of RM23.8 million recorded for the preceding year corresponding quarter.

当前季度营业额马币1,990万元, 减少16.4%, 相比在上一年相应的季度, 马币2,380万元。

The decrease in revenue for the current quarter was in line with the Group's decrease in number of pair of sports shoes sold. This was within the Group's expectation due to unstable global economic climate that is likely to affect consumer spending. The overall decrease in revenue was partly offset by the conversion of average exchange rate from RMB 1: RM0.5405 in FPE 2014 to RMB 1: RM0.5803 in FPE 2015.

当前季度的收入减少符合本集团减小对销售运动鞋的数量。这是在本集团的预期之内, 主要由于全球经济环境的不稳定, 可能会影响到消费者的消费。整体营业额的减少也被部分平均汇率转换的影响抵销, 平均汇率从2014年财政期间1人民币兑马币0.5405到2015年财政期间1人民币兑马币0.5803。

Other income 其他收入

Other income mainly comprises of interest income on bank balances. Interest income on bank balances accounted for 68.0% and 63.0% of total other income for FPE 2014 and FPE 2015 respectively.

其他收入主要包括银行结余的利息收入。在2014年和2015年财政期间, 银行结余利息收入分别占其他收入总额的68.0%和63.0%。

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 FPE 2014 and FPE 2015, the overall selling and distribution expenses increased by approximately RM0.4 million from RM0.9 million in FPE 2014 to RM1.3 million in FYE 2015. The increase was mainly due to expenses incurred in retail group of companies (ie Maxwell Hong Kong & Maxwell Xiamen) amounted to RM0.5 million in FPE2014 to RM0.9 million in FPE2015.

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40万元, 从2014年财政期间的马币90万元至2015年财政期间的马币130万元。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2014年财政期间的马币50万元至2015年财政期间的马币90万元。

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 FPE 2014 and FPE 2015, the overall administrative expenses increased by approximately RM0.4 million from RM2.8 million in FPE 2014 to RM3.2 million in FPE 2015.

The average exchange rate from RMB 1: RM0.5405 in FPE 2014 to RMB 1: RM0.5803 in FPE 2015 also partly increase in administrative expenses.

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。2014年和2015年财政期间，整体的行政开支增加约马币40万元，从2014年财政期间的马币280万元至2015年财政期间的马币320万元。平均汇率从2014年财政期间1人民币兑马币0.5405到2015年财政期间1人民币兑马币0.5803同时增加部分行政开支。

Other expenses 其他开支

Other expenses comprise mainly foreign exchange loss. Unrealised foreign exchange loss accounted for 99.7% and 86.6% of other expenses for FYE 2014 and FYE 2015 respectively.

其他开支主要包括汇兑损失。在2014年和2015年财政期间，未实现的汇兑损失分别占99.7%及86.6%。

Loss before taxation 税前损失

The Group recorded a loss before taxation of RM3.0 million for the current year as compared to profit before taxation for preceding year of RM0.7 million.

本集团本年度税前损失马币300万元,相比在上一年相应的年度税前盈利马币70万元。

The decrease was primarily due to decrease in gross profit. 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.

减少主要是由于毛利减少。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。

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

	Current quarter (本季度) 31/3/2015 RM'000	Preceding quarter (上一季) 31/12/2014 RM'000
Revenue 营业额	19,894	52,443
(Loss)/Profit before taxation 税前(损失)/盈利	(3,045)	1,090
(Loss)/Profit after taxation 税后(损失)/盈利	(3,046)	15
(Loss)/Profit before taxation margin 税前(损失)/盈利率	(15.3%)	2.1%
(Loss)/Profit after taxation margin 税后(损失)/盈利率	(15.3%)	0.0%

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

我们谨慎地认为，我们的业务预计在 2015 年下半年将持稳，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 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业务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. Loss before taxation (税前损失)

	Current quarter (本季度) RM'000	Current year-to-date (当前年初至今) RM'000
After charging (借记下列后): -		
Amortisation of land use rights (土地使用权的摊销)	1,055	1,055
Depreciation (折旧)	838	838
Foreign exchange loss (汇兑损失)	1,977	1,977
After crediting (贷记下列后): -		
Interest income (利息收入)	(345)	(345)

6. Income tax charge (所得税费用)

	Current quarter (本季度) RM'000	Current year-to-date (当前年初至今) RM'000
Malaysia income tax (马来西亚所得税)	1	1
	<u>1</u>	<u>1</u>

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 0.0% and 0.0% 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 0.0% 和 0.0%, 不同于法定税率的 25%。

As at 31 March 2015, 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 2015 年 3 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.
没有已发生企业建议直至本报告日期。

• 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:

从公开发行人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 March 2015.
本集团截至 2015 年 3 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 (loss)/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(损失)/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)	
	Current quarter (本季度) 31/3/2015	Preceding year corresponding quarter (上一年同季度) 31/3/2014	Current year to date (本年度至今) 31/3/2015	Preceding year corresponding quarter (上一年度同期) 31/3/2014
Net (loss)/profit for the year 净(损失)/利润 (RM)	(3,045,883)	36,640	(3,045,883)	36,640
Weighted average number of shares in issue 加权平均已发行股份	397,663,340	399,054,799	397,663,340	399,054,799
Basic earnings per share (sen) 基本每股收益 (仙)	(0.77)	0.01	(0.77)	0.01

As of 31 March 2015, the Group has 199,430,300 of warrant in issue, which entitles the holders the rights for conversion into one (1) ordinary share for every one (1) warrant at an exercise price of RM0.40 each. This gives rise to potential ordinary shares which, upon conversion, could result in dilution to earnings per share in future financial periods.

截至 2015 年 3 月 31 日,本集团发行 199,430,300 股的认股权证,它赋予持有人转换的权利转化一(1)普通股在每一(1)认股权证,行使价在每股马币 0.40。这引起了潜在普通股当中,通过转化,可能会在未来的财政期间导致稀释每股收益。

In accordance with MFRS 133, options and warrants have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of the options and warrants (i.e. they are 'in the money').

按照财务报告准则 133，期权和认股权证有稀释作用，只有当普通股在此期间的平均市场价格超过了期权和认股权证的行权价格（即它是“实值期权”）。

The volume-weighted average market price of the Company's ordinary shares during current quarter was lower than the warrant exercise price. As such, the issued warrants are not regarded as dilutive and accordingly, no diluted earnings per share is being presented for the current quarter under review.

公司普通股在当前季度成交量加权平均市场价格低于认股权证行使价。因此，发行的认股权证不被视为摊薄，因此，当前季度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 March 2015 and at 31 December 2014 were as follow: -

本集团的已变现及未变现利润/损失截至 2015 年 3 月 31 日和 2014 年 12 月 31 日和如下:-

	Current quarter (本季度) 31/3/2015 RM'000	Preceding quarter (上一季) 31/12/2014 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	331,494	333,851
- Unrealised 未变现	(1,728)	(800)
	329,766	333,051
Add 加/Less 减: Consolidation adjustments 合并调整	(621)	(2,448)
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	329,145	330,603

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 2014 were not subject to any audit qualification.

本集团截至 2014 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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