

**A. SELECTED EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2017**

本期间截至 2017 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 2016 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 2016 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:

		<b>Effective for financial periods beginning on or after 有效财务期间自 下列日期起或之 后</b>
<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 15	Revenue from Contracts with Customers 与客户从合同收益	1/1/2019
MFRS 16	Leases 租赁	1/1/2019
<u>Amendments/Improvements to MFRSs</u>		
<u>修订/改进《财务报告准则》</u>		
MFRS 1	First-time adoption of MFRSs 首次采用《财务报告准则》	1/1/2018
MFRS 2	Share-based Payment 股份支付	1/1/2018
MFRS 4	Insurance Contracts 保险合同	1/1/2018/
MFRS 10	Consolidated Financial Statements 合并财务报表	递延
MFRS 128	Investments in Associates and Joint Ventures 对合营企业和合营企业的投资	1/1/2018/ 递延
MFRS 140	Investment Property 投资物业	1/1/2018

Amendments/Improvements to  
MFRSs

修订/改进《财务报告准则》

IC Int 22

Foreign Currency Transactions and  
Advance Consideration  
外币交易和预先款项

1/1/2018

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

The main OEM/ODM business of the Group had been ceased operation in previous year.  
本集团主要 OEM / ODM 业务于去年停止运作。

## 3. Unusual items 不寻常事项

Other than those disclosed in note B1, 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.

除附注 B1 所披露外,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 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。

As at 31 March 2017, 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2017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

The main OEM/ODM business of the Group had been ceased operation in previous year. No separate analysis of segment information by business or geographical locations is presented.

本集团主要 OEM / ODM 业务于去年停止运作。无按业务分部或地理位置呈现单独分析信息。

## 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

A company named “Zhenxing” (A subsidiary of Maxwell) is being sued by certain parties due to dispute on the loan contracts. The Defendants in the case involve Zhenxing, Madam Li Kwai Chun (the Executive Director of Maxwell) and two others as the guarantors. The management of Zhenxing, is unable to provide the required information and comprehensive legal advice to assess the extent of liabilities, including contingent liabilities that may arise from this legal claim. The Company is presently seeking details and legal advice on this claim.

一家名为“振兴”（麦斯威的子公司）是被起诉，由于贷款合同纠纷。本案的被告涉及振兴作为担保人，李桂真女士（麦斯威执行董事）和其他两名担保人。振兴的管理层无法提供必要的信息和全面的法律意见，以评估负债的范围，包括可能由此法律索赔产生的或有负债。公司目前正在寻求关于这一索赔的细节和法律意见。

There may be other potential legal claims against Zhenxing and its subsidiary, Hebi City Yifu Plastics Product Co. Ltd. (“Yifu”). The Company has appointed Beijing Junyan (Xiamen) Law Firm, a legal firm in the People’s Republic of China (“PRC”), to provide details and legal advice on any potential litigation claims against Zhenxing and Yifu. Pending the availability of details and legal advice on any potential litigation claims, the Company is unable to determine whether to provide for such liabilities, including the disclosure of contingent liabilities.

对振兴及其子公司,鹤壁市怡福塑料制品有限公司（以下简称“怡福”）,可能存在其他潜在法律责任。本公司已委任北京君颜（厦门）律师事务所,中华人民共和国法律事务所,提供细节和法律意见就振兴和怡福的任何潜在诉讼索赔。在有关潜在诉讼请求的细节和法律意见的提供之前,本公司无法确定是否提供此类负债,包括披露或有负债。

## 9. Capital commitments 资本承诺

No material commitments for capital expenditure of the Group were incurred for the current quarter under review.

于本季度,本集团无资本开支的重大承诺。

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

No significant related party transaction of the Group were incurred for the current quarter under review.

于本季度,本集团无重大关联方交易。

## 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 loss after taxation (“LAT”) of RM1.7 million for the financial year-to-date. 本集团本财政年初至今取得马币170万元的税后亏损。

Due to challenging manufacturing business environment in China, the main OEM/ODM business of the Group had been ceased operation in previous year. There is no revenue for the financial period ended 31 March 2017 (“FPE 2017”) as compared to the revenue of RM8.4 million recorded for the financial period ended 31 March 2016 (“FPE 2016”).

由于在中国的制造业经营环境充满挑战,本集团主要OEM / ODM业务于去年停止运作。在2017年3月31日财政期间,没有销售收入,相比在2016年3月31日财政期间,马币840万元。

#### Other income 其他收入

Other income mainly comprises of interest income and unrealised foreign exchange gain. Unrealised foreign exchange gain on intercompany balances accounted for 99.9% of total other income for FPE 2016. In FPE 2017, there is no other income. It was mainly due to significant fluctuation in foreign exchange rate in FPE2016.

其他收入主要包括利息收入和汇兑收益。在2016年财政期间,公司间结余金额未实现汇兑收益占其他收入总额的99.9%。在2017年财政期间,没有其他收入。主要是由于在2016年财政期间外汇汇率波动较大。

The movements in change in foreign exchange are as follows:

汇率变动情况如下:

Period ended 财政期间	RMB: RM 人民币: 马币	HKD: RM 港币: 马币
31-12-2015	0.6612	0.5540
31-03-2016	0.6036	0.5032
31-12-2016	0.6457	0.5785
31-03-2017	0.6419	0.5692

#### 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 2016 and FPE 2017, the overall selling and distribution expenses decreased by approximately RM0.2 million from RM0.2 million in FPE 2016 to nil in FPE 2017. The decrease was mainly the main OEM/ODM business of the Group had been ceased operation.

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减少约马币20万元, 从2016年财政期间的马币20万元至2017年财政期间的零元。减少主要是由于本集团主要OEM / ODM业务于去年停止运作。

### 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 2016 and FPE 2017, the overall administrative expenses decreased by approximately RM1.4 million from RM1.8 million in FPE 2016 to RM0.4 million in FPE 2017. The decrease was mainly due to OEM/ODM of sports shoes have ceased operation.

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。2016年和2017年财政期间，整体的行政开支减少约马币140万元，从2016年财政期间的马币180万元至2017年财政期间的马币40万元。减少主要是由于集团OEM / ODM运动鞋已停止经营。

### Other expenses 其他开支

Other expenses comprise mainly unrealised foreign exchange loss. Unrealised foreign exchange loss on intercompany balances accounted for 100% of other expenses in FPE 2017.

其他开支主要包括未实现汇兑损失。在2017年财政期间，公司间结余金额未实现的汇兑损失占100%。

The movements in change in foreign exchange rates are as follows:

汇率变动情况如下:

Period ended 财政期间	RMB: RM 人民币: 马币	HKD: RM 港币: 马币
31-12-2015	0.6612	0.5540
31-03-2016	0.6036	0.5032
31-12-2016	0.6457	0.5785
31-03-2017	0.6419	0.5692

### Loss before taxation 税前亏损

The Group recorded a loss before taxation of RM1.7 million for the current year as compared to profit before taxation in preceding year of RM22.9 million.

本集团本年度税前亏损马币170万元,相比在上一年相应的年度税前盈利马币2,290万元.

The loss before taxation is primarily due to unrealised exchange loss. The profit before taxation in preceding year was primarily due to unrealised exchange gain.

税前亏损主要是由于未实现的汇兑损失。上一年的年度税前盈利主要是由于未实现的汇兑收益。

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

	Current quarter (本季度) 31/3/2017 RM'000	Preceding quarter (上一季) 31/12/2016 RM'000
Revenue 营业额	-	-
Loss before taxation 税前损失	(1,710)	(75,070)
Loss after taxation 税后损失	<u>(1,711)</u>	<u>(75,070)</u>
Loss before taxation margin 税前损失率	N/A	N/A
Loss after taxation margin 税后损失率	<u>N/A</u>	<u>N/A</u>

N/A : Not applicable

Save as disclosed under notes B1, the Group's main OEM/ODM business had been ceased operation in previous year. In preceding quarter, the Group has made an impairment of property, plant and equipment, impairment of land use right and impairment of trade receivables.

除披露在 B1, 本集团主要 OEM / ODM 业务于去年停止运作. 上一季度, 本集团已做减值准备在物业, 厂房及设备, 土地使用权和应收账款。

## 3. Prospects for FYE 2017 (展望 2017 年)

The main OEM/ODM business had been ceased operation in previous year, the Group understands the challenges it faces in light of the Company's status under PN 17 of Bursa Securities Listing Requirements and the pending regularisation plan. The Group is of the view that the restructuring is in the best interest of the Company.

于去年, 主要 OEM / ODM 业务已停止营运, 董事会了解其根据公司根据大马证券上市规定 PN17 的地位和待定重组业务计划。集团认为, 重组对本公司的最佳利益。

## 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。

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## 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)	117	117
Depreciation (折旧)	90	90
Foreign exchange loss (汇兑损失)	1,316	1,316
	1,316	1,316

## 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
PRC income tax (中华人民共和国所得税)	-	-
Malaysia income tax (马来西亚所得税)	1	1
	1	1

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% and 0% respectively, which were different from the statutory tax rate of 24%.

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% 和 0%，不同于法定税率的 24%。

As at 31 March 2017, 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 2017 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。

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## 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	72 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	-	
<b>Total proceeds 总筹集款项</b>			<b>34,425</b>	<b>24,821</b>	<b>9,604</b>	

#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. However, due to uncertain economic situation in China, the completion of construction is on-hold.

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. 然而, 由于中国经济形势的不确定, 搁置完成建设.

## 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 2017.  
本集团截至 2017 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

Saved as disclosed under notes A8, 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.

除在披露在 A8 ,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) 31/3/2017	Preceding year corresponding quarter (上一年同季度) 31/3/2016	Current year to date (本年度至今) 31/3/2017	Preceding year corresponding quarter (上一年度同期) 31/3/2016
Net profit/(loss) for the period 净利润/(损失) (RM)	(1,711,026)	22,876,532	(1,711,026)	22,876,532
Weighted average number of shares in issue 加权平均已发行股份	398,860,600	398,860,600	398,860,600	398,860,600
Basic earnings/(loss) per share (sen) 基本每股(损 失)/收益 (仙)	(0.43)	5.74	(0.43)	5.74

As of 31 March 2017, 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 2017 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 2017 and at 31 December 2016 were as follow: -

本集团的已变现及未变现利润/损失截至 2017 年 3 月 31 日和 2016 年 12 月 31 日如下:-

	Current quarter (本季度) 31/3/2017 RM'000	Preceding quarter (上一季) 31/12/2016 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	88,966	90,631
- Unrealised 未变现	859	1,804
	89,825	92,435
Add 加/Less 减: Consolidation adjustments 合并调整	88,791	86,437
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	178,616	178,872

## 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 2016 have been audited. However, it was disclaimer of opinion in the auditors' report.

本集团截至 2016 年 12 月 31 日财务年度经审计综合财务报表并经审计。然而，在审计师报告是免责声明的意见。

The Company has triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1 (d) of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). Hence, the Company is considered as a PN17 company.

本公司已触发马来西亚证券交易所的主要市场上市的要求下，根据第 8.04 段和实践附注 17 ("PN17") 第 2.1 (d) 段规定的准则。因此，本公司被视为 PN17 公司。

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