



# K-STAR SPORTS LIMITED

(Incorporated in Singapore under the Companies Act (Chapter 50) of Singapore)(Company Registration Number 200820976H)  
(Registered as a foreign company in Malaysia under the Companies Act 1965 of Malaysia)  
(Malaysian Branch Registration Number 995214-D)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2013

		Individual quarter Quarter ended		Individual quarter Quarter ended	
		30.09.2013	30.09.2012	30.09.2013	30.09.2012
				(Note a)	(Note a)
	Note	RMB'000	RMB'000	RM'000	RM'000
Revenue	B1	75,220	130,796	40,032	69,610
Cost of sales		(68,680)	(102,280)	(36,551)	(54,434)
Gross profit		6,540	28,516	3,481	15,176
Other income		61	181	32	96
Selling and distribution expenses	B1	(63,464)	(58,223)	(33,776)	(30,986)
Administrative expenses	B1	(4,550)	(4,226)	(2,422)	(2,249)
Finance costs		(167)	(511)	(89)	(272)
Loss before taxation	B1	(61,580)	(34,263)	(32,774)	(18,235)
Taxation		-	-	-	-
Total loss for the period	B1	(61,580)	(34,263)	(32,774)	(18,235)
Other comprehensive income after tax		-	-	-	-
Total comprehensive expense for the period		(61,580)	(34,263)	(32,774)	(18,235)
Attributable to :					
- Equity holders of the Company		(61,580)	(34,263)	(32,774)	(18,235)
<b>Loss per share attributable to equity holders of the Company :</b>					
Basic (RMB cents/RM sen)	B9	(23.12)	(12.86)	(12.30)	(6.84)
Diluted (RMB cents/RM sen)	B9	(23.12)	(12.86)	(12.30)	(6.84)

### Notes:

(a) The presentation currency of this unaudited interim financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 30 September 2013 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5322 as at 30 September 2013. This translation should not be construed as a representation that the RMB amounts represented have been or could be converted into RM at this or any other rate.

(b) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim unaudited financial statements.



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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE (9) MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

		Cumulative quarter		Cumulative quarter	
		Current	Preceding	Current	Preceding
		year	year	year	year
		to date	to date	to date	to date
		30.09.2013	30.09.2012	30.09.2013	30.09.2012
				(Note a)	(Note a)
	Note	RMB'000	RMB'000	RM'000	RM'000
Revenue	B1	249,755	377,969	132,920	201,155
Cost of sales		(223,744)	(291,543)	(119,076)	(155,159)
Gross profit		26,011	86,426	13,844	45,996
Other income		296	763	158	406
Selling and distribution expenses	B1	(79,852)	(75,656)	(42,497)	(40,264)
Administrative expenses	B1	(13,969)	(12,441)	(7,435)	(6,621)
Finance costs		(811)	(1,678)	(432)	(893)
Loss before taxation	B1	(68,325)	(2,586)	(36,362)	(1,376)
Taxation		(172)	(8,297)	(92)	(4,416)
Total loss for the period	B1	(68,497)	(10,883)	(36,454)	(5,792)
Other comprehensive income after tax		-	-	-	-
Total comprehensive expense for the period		(68,497)	(10,883)	(36,454)	(5,792)
Attributable to :					
-Equity holders of the Company		(68,497)	(10,883)	(36,454)	(5,792)
<b>Loss per share attributable to equity holders of the Company :</b>					
Basic (RMB cents/RM sen)	B9	(25.71)	(4.09)	(13.68)	(2.17)
Diluted (RMB cents/RM sen)	B9	(25.71)	(4.09)	(13.68)	(2.17)

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(b) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the unaudited interim financial statements.



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### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Unaudited As at 30.09.2013	Audited As at 31.12.2012	Unaudited As at 30.09.2013 (Note a)	Audited As at 31.12.2012 (Note a)
	RMB'000	RMB'000	RM'000	RM'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	66,900	70,927	35,604	37,747
Patents	19,067	11,000	10,148	5,854
Land use rights	74,207	73,119	39,493	38,914
	160,174	155,046	85,245	82,515
<b>Current Assets</b>				
Inventories	11,523	12,656	6,133	6,736
Trade and other receivables	131,105	194,195	69,774	103,351
Cash and bank balances	112,953	139,268	60,114	74,118
	255,581	346,119	136,021	184,205
<b>Total assets</b>	415,755	501,165	221,266	266,720
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Share capital	285,075	285,075	151,717	151,717
Retained earnings	224,904	293,401	119,694	156,148
Other reserves	(149,444)	(149,444)	(79,534)	(79,534)
	360,535	429,032	191,877	228,331
<b>Current Liabilities</b>				
Borrowings	17,100	23,330	9,101	12,416
Trade and other payables	33,199	43,882	17,669	23,354
	50,299	67,212	26,770	35,770
<b>Non-Current Liability</b>				
Deferred tax liability	4,921	4,921	2,619	2,619
<b>Total liabilities</b>	55,220	72,133	29,389	38,389
<b>Total equity and liabilities</b>	415,755	501,165	221,266	266,720
<b>Net assets per share attributable to equity holders of the Company (RMB cents/RM sen)</b>	135.34	161.05	72.03	85.71

#### Notes:

- (a) The presentation currency of this unaudited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") as at 30 September 2013 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5322 as at 30 September 2013. This translation should not be construed as a representation that the RMB amounts represented have been or could be converted into RM at this or any other rate.
- (b) The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the unaudited interim financial statements.
- (c) The net assets per share attributable to equity holders of the Company is calculated based on the net assets as at 31 December 2012 and 30 September 2013 divided by the number of ordinary shares of 266,400,000.



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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE (9) MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Attributable to Equity Holders of the Company				
	Share capital RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total equity RMB'000
At 31 December 2011	285,075	(174,156)	24,712	320,006	455,637
Total comprehensive expense for the period	-	-	-	(10,883)	(10,883)
At 30 September 2012	285,075	(174,156)	24,712	309,123	444,754
At 31 December 2012	285,075	(174,156)	24,712	293,401	429,032
Total comprehensive expense for the period	-	-	-	(68,497)	(68,497)
At 30 September 2013	285,075	(174,156)	24,712	224,904	360,535

  

	Attributable to Equity Holders of the Company				
	Share capital RM'000	Merger reserve RM'000	Statutory reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 31 December 2011	151,717	(92,686)	13,152	170,307	242,290
Total comprehensive expense for the period	-	-	-	(5,792)	(5,792)
At 30 September 2012 (note a)	151,717	(92,686)	13,152	164,515	236,498
At 31 December 2012	151,717	(92,686)	13,152	156,148	228,331
Total comprehensive expense for the period	-	-	-	(36,454)	(36,454)
At 30 September 2013 (note a)	151,717	(92,686)	13,152	119,694	191,877

#### Notes:

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(b) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the unaudited interim financial statements.

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE NINE (9) MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Nine (9) months ended 30.09.2013	Nine (9) months ended 30.09.2012	Nine (9) months ended 30.09.2013 (Note a)	Nine (9) months ended 30.09.2012 (Note a)
	RMB'000	RMB'000	RM'000	RM'000
<b>Cash flows from operating activities</b>				
Loss before taxation	(68,325)	(2,586)	(36,362)	(1,376)
Adjustments for:				
Interest income	(296)	(758)	(158)	(403)
Interest expenses	811	1,678	432	893
Depreciation of property, plant and equipment	5,938	5,520	3,160	2,938
Loss on disposal of property, plant and equipment	1	11	*	6
Amortisation of land use rights	1,220	651	649	346
Amortisation of patents	733	147	390	78
Operating (loss)/profit before working capital changes	(59,918)	4,663	(31,889)	2,482
Decrease in inventories	1,133	1,862	603	991
Decrease/(Increase) in trade and other receivables	63,090	(15,146)	33,577	(8,061)
(Decrease)/Increase in trade and other payables	(10,683)	717	(5,686)	382
Cash generated/(used) from operations	(6,378)	(7,904)	(3,395)	(4,206)
Interest paid	(811)	(1,678)	(432)	(893)
Income tax paid	(172)	(5,872)	(92)	(3,125)
<b>Net cash generated from/(used in) operating activities</b>	<b>(7,361)</b>	<b>(15,454)</b>	<b>(3,919)</b>	<b>(8,224)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,922)	(646)	(1,022)	(344)
Acquisition of land use rights	(2,308)	(8,592)	(1,228)	(4,573)
Acquisition of patents	(8,800)	(8,800)	(4,683)	(4,683)
Proceeds from disposal of property, plant and equipment	10	6	5	3
Interest received	296	758	158	403
<b>Net cash used in investing activities</b>	<b>(12,724)</b>	<b>(17,274)</b>	<b>(6,770)</b>	<b>(9,194)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	20,919	40,634	11,133	21,625
Repayment of bank borrowings	(27,149)	(37,830)	(14,449)	(20,133)
<b>Net cash (used in)/generated from financing activities</b>	<b>(6,230)</b>	<b>2,804</b>	<b>(3,316)</b>	<b>1,492</b>
Net decrease in cash and cash equivalents	(26,315)	(29,924)	(14,005)	(15,926)
Cash and cash equivalents at beginning of the financial period	139,268	216,975	74,119	115,474
<b>Cash and cash equivalents at end of the financial period</b>	<b>112,953</b>	<b>187,051</b>	<b>60,114</b>	<b>99,548</b>

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(b) The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the unaudited interim financial statements.

\* Negligible