



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 31 DECEMBER 2013

		Individual quarter Quarter ended		Individual quarter Quarter ended	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
				(Note a)	(Note a)
	Note	RMB'000	RMB'000	RM'000	RM'000
Revenue	B1	79,320	119,751	42,960	64,857
Cost of sales		(73,850)	(102,589)	(39,997)	(55,562)
Gross profit		5,470	17,162	2,963	9,295
Other income		184	152	100	82
Selling and distribution expenses	B1	(12,591)	(23,061)	(6,819)	(12,490)
Administrative expenses	B1	(6,752)	(8,002)	(3,657)	(4,334)
Finance costs		(375)	(388)	(203)	(210)
Loss before taxation	B1	(14,064)	(14,137)	(7,616)	(7,657)
Taxation		-	(1,585)	-	(858)
Total loss for the period	B1	(14,064)	(15,722)	(7,616)	(8,515)
Other comprehensive income after tax		-	-	-	-
Total comprehensive expense for the period		(14,064)	(15,722)	(7,616)	(8,515)
Attributable to :					
- Equity holders of the Company		(14,064)	(15,722)	(7,616)	(8,515)
Loss per share attributable to equity holders of the Company :					
Basic (RMB cents/RM sen)	B9	(5.28)	(5.90)	(2.86)	(3.20)
Diluted (RMB cents/RM sen)	B9	(5.28)	(5.90)	(2.86)	(3.20)

Notes:

(a) The presentation currency of this unaudited interim financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 31 December 2013 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5416 as at 31 December 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 FINANCIAL YEAR ENDED 31 DECEMBER 2013

		Cumulative quarter		Cumulative quarter	
		Current	Preceding	Current	Preceding
		year	year	year	year
		to date	to date	to date	to date
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
				(Note a)	(Note a)
	Note	RMB'000	RMB'000	RM'000	RM'000
Revenue	B1	329,075	497,720	178,227	269,565
Cost of sales		(297,594)	(394,132)	(161,177)	(213,462)
Gross profit		31,481	103,588	17,050	56,103
Other income		480	915	260	496
Selling and distribution expenses	B1	(92,443)	(98,717)	(50,067)	(53,465)
Administrative expenses	B1	(20,721)	(20,443)	(11,223)	(11,072)
Finance costs		(1,186)	(2,066)	(642)	(1,119)
Loss before taxation	B1	(82,389)	(16,723)	(44,622)	(9,057)
Taxation		(172)	(9,882)	(93)	(5,352)
Total loss for the period	B1	(82,561)	(26,605)	(44,715)	(14,409)
Other comprehensive income after tax		-	-	-	-
Total comprehensive expense for the period		(82,561)	(26,605)	(44,715)	(14,409)
Attributable to :					
-Equity holders of the Company		(82,561)	(26,605)	(44,715)	(14,409)
Loss per share attributable to equity holders of the Company :					
Basic (RMB cents/RM sen)	B9	(30.99)	(9.99)	(16.78)	(5.41)
Diluted (RMB cents/RM sen)	B9	(30.99)	(9.99)	(16.78)	(5.41)

Notes:

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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 31 DECEMBER 2013

	Unaudited As at 31.12.2013	Audited As at 31.12.2012	Unaudited As at 31.12.2013 (Note a)	Audited As at 31.12.2012 (Note a)
	RMB'000	RMB'000	RM'000	RM'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	66,714	70,927	36,132	38,414
Patents	20,717	11,000	11,220	5,958
Land use rights	73,801	73,119	39,971	39,601
	161,232	155,046	87,323	83,973
Current Assets				
Inventories	9,008	12,656	4,879	6,854
Trade and other receivables	147,569	194,195	79,923	105,176
Cash and bank balances	91,819	139,268	49,729	75,428
	248,396	346,119	134,531	187,458
Total assets	409,628	501,165	221,854	271,431
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	285,075	285,075	154,397	154,397
Retained earnings	210,840	293,401	114,191	158,906
Other reserves	(149,444)	(149,444)	(80,939)	(80,939)
	346,471	429,032	187,649	232,364
Current Liabilities				
Borrowings	24,000	23,330	12,998	12,636
Trade and other payables	34,236	43,882	18,542	23,766
	58,236	67,212	31,540	36,402
Non-Current Liability				
Deferred tax liability	4,921	4,921	2,665	2,665
Total liabilities	63,157	72,133	34,205	39,067
Total equity and liabilities	409,628	501,165	221,854	271,431
Net assets per share attributable to equity holders of the Company (RMB cents/RM sen)	130.06	161.05	70.44	87.22

Notes:

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- (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 31 December 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 FINANCIAL YEAR ENDED 31 DECEMBER 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 financial year	-	-	-	(26,605)	(26,605)
At 31 December 2012	285,075	(174,156)	24,712	293,401	429,032
At 31 December 2012	285,075	(174,156)	24,712	293,401	429,032
Total comprehensive expense for the financial year	-	-	-	(82,561)	(82,561)
At 31 December 2013	285,075	(174,156)	24,712	210,840	346,471
	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	154,397	(94,323)	13,384	173,315	246,773
Total comprehensive expense for the financial year	-	-	-	(14,409)	(14,409)
At 31 December 2012 (note a)	154,397	(94,323)	13,384	158,906	232,364
At 31 December 2012	154,397	(94,323)	13,384	158,906	232,364
Total comprehensive expense for the financial year	-	-	-	(44,715)	(44,715)
At 31 December 2013 (note a)	154,397	(94,323)	13,384	114,191	187,649

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 FINANCIAL YEAR ENDED 31 DECEMBER 2013

	For the financial year ended 31.12.2013	For the financial year ended 31.12.2012	For the financial year ended 31.12.2013 (Note a)	For the financial year ended 31.12.2012 (Note a)
	RMB'000	RMB'000	RM'000	RM'000
Cash flows from operating activities				
Loss before taxation	(82,389)	(16,723)	(44,622)	(9,057)
Adjustments for:				
Interest income	(480)	(905)	(260)	(490)
Interest expenses	1,186	2,066	642	1,119
Depreciation of property, plant and equipment	7,929	7,407	4,294	4,012
Impairment of goodwill	-	2,939	-	1,592
Loss on disposal of property, plant and equipment	36	11	19	6
Amortisation of land use rights	1,626	943	881	511
Amortisation of patents	1,283	-	695	-
Operating loss before working capital changes	(70,809)	(4,262)	(38,351)	(2,307)
Decrease/(Increase) in inventories	3,648	(549)	1,976	(298)
Decrease/(Increase) in trade and other receivables	46,626	(29,734)	25,252	(16,104)
Decrease in trade and other payables	(9,646)	(6,223)	(5,224)	(3,370)
Cash used from operations	(30,181)	(40,768)	(16,347)	(22,079)
Income tax paid	(172)	(5,872)	(93)	(3,180)
Net cash used in operating activities	(30,353)	(46,640)	(16,440)	(25,259)
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,773)	(646)	(2,043)	(350)
Acquisition of land use rights	(2,308)	(16,616)	(1,250)	(8,999)
Acquisition of patents	(11,000)	(11,000)	(5,958)	(5,958)
Proceeds from disposal of property, plant and equipment	21	6	11	3
Interest received	480	905	260	490
Net cash used in investing activities	(16,580)	(27,351)	(8,980)	(14,814)
Cash flows from financing activities				
Interest paid	(1,186)	(2,066)	(642)	(1,119)
Proceeds from bank borrowings	29,619	42,434	16,042	22,982
Repayment of bank borrowings	(28,949)	(44,084)	(15,679)	(23,876)
Net cash generated from/(used in) financing activities	(516)	(3,716)	(279)	(2,013)
Net decrease in cash and cash equivalents	(47,449)	(77,707)	(25,699)	(42,086)
Cash and cash equivalents at beginning of the financial year	139,268	216,975	75,428	117,514
Cash and cash equivalents at end of the financial year	91,819	139,268	49,729	75,428

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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.