

## 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 JUNE 2014

		Individual quarter Quarter ended		Individual quarter Quarter ended	
		30.06.2014	30.06.2013	30.06.2014 (Note a)	30.06.2013 (Note a)
	<u>Note</u>	RMB'000	RMB'000	RM'000	RM'000
Revenue	B1	78,910	88,943	40,828	46,019
Cost of sales	<u>_</u>	(72,874)	(79,067)	(37,705)	(40,909)
Gross profit		6,036	9,876	3,123	5,110
Other income		69	115	36	60
Selling and distribution expenses	B1	(11,964)	(12,033)	(6,190)	(6,226)
Administrative expenses	B1	(5,126)	(4,740)	(2,652)	(2,453)
Finance costs		(375)	(285)	(194)	(148)
Loss before taxation	B1	(11,360)	(7,067)	(5,877)	(3,657)
Taxation		-	(4)	-	(2)
Total loss for the period	B1	(11,360)	(7,071)	(5,877)	(3,659)
Other comprehensive income after tax		-	-	-	-
Total comprehensive loss for the period	<u>-</u>	(11,360)	(7,071)	(5,877)	(3,659)
Attributable to :					
- Equity holders of the Company	=	(11,360)	(7,071)	(5,877)	(3,659)
Loss per share attributable to equity holders of the Company:					
Basic (RMB cents/RM sen)	В9	(4.26)	(2.65)	(2.20)	(1.37)
Diluted (RMB cents/RM sen)	В9	(4.26)	(2.65)	(2.20)	(1.37)

- (a) The presentation currency of this unaudited interim financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 30 June 2014 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5174 as at 30 June 2014. 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 2013 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 SIX (6) MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2014

		Cumulative quarter		Cumulative quarter	
		Current	Preceding	Current	Preceding
		year to date	year to date	year to date	year to date
		30.06.2014	30.06.2013	30.06.2014	30.06.2013
		2010012011	20.00.2012	(Note a)	(Note a)
	<u>Note</u>	RMB'000	RMB'000	RM'000	RM'000
Revenue	B1	147,234	174,535	76,179	90,304
Cost of sales		(136,204)	(155,064)	(70,472)	(80,230)
Gross profit		11,030	19,471	5,707	10,074
Other income		161	235	83	122
Selling and distribution expenses	B1	(19,049)	(16,388)	(9,856)	(8,479)
Administrative expenses	B1	(9,800)	(9,419)	(5,071)	(4,873)
Finance costs	_	(738)	(644)	(382)	(333)
Loss before taxation	B1	(18,396)	(6,745)	(9,519)	(3,489)
Taxation	_	-	(172)		(89)
Total loss for the period	B1	(18,396)	(6,917)	(9,519)	(3,578)
Other comprehensive income after tax		-	-	-	-
Total comprehensive loss for the period	_	(18,396)	(6,917)	(9,519)	(3,578)
Attributable to :					
-Equity holders of the Company	-	(18,396)	(6,917)	(9,519)	(3,578)
Loss per share attributable to equity					
holders of the Company:					
Basic (RMB cents/RM sen)	В9	(6.91)	(2.60)	(3.58)	(1.35)
Diluted (RMB cents/RM sen)	B9	(6.91)	(2.60)	(3.58)	(1.35)

- (a) The presentation currency of this unaudited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the six (6) months financial period ended 30 June 2014 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5174 as at 30 June 2014. 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 2013 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 JUNE 2014

	Unaudited As at 30.06.2014	Audited As at 31.12.2013	As at 30.06.2014 (Note a)	Audited As at 31.12.2013 (Note a)
	RMB'000	RMB'000	RM'000	RM'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	62,933	66,714	32,562	34,518
Patents	19,617	20,717	10,150	10,719
Land use rights	72,988	73,801	37,764	38,185
	155,538	161,232	80,476	83,422
Current Assets	0.044			
Inventories	8,911	9,008	4,611	4,661
Trade and other receivables	156,704	147,569	81,079	76,353
Cash and bank balances	68,736	91,819	35,564	47,507
	234,351	248,396	121,254	128,521
Total assets	389,889	409,628	201,730	211,943
EQUITY AND LIABILITIES Capital and Reserves				
Share capital	285,075	285,075	147,498	147,498
Retained earnings	192,444	210,840	99,571	109,089
Other reserves	(149,444)	(149,444)	(77,322)	(77,322)
	328,075	346,471	169,747	179,265
Current Liabilities				
Borrowings	24,000	24,000	12,418	12,418
Trade and other payables	32,893	34,236	17,019	17,714
	56,893	58,236	29,437	30,132
Non-Current Liability				
Deferred tax liability	4,921	4,921	2,546	2,546
Total liabilities	61,814	63,157	31,983	32,678
Total equity and liabilities	389,889	409,628	201,730	211,943
Net assets per share attributable to equity holders of the Company (RMB cents/RM sen)	123.15	130.06	63.72	67.29

- (a) The presentation currency of this unaudited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") as at 30 June 2014 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5174 as at 30 June 2014. 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 2013 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 2013 and 30 June 2014 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 SIX (6) MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2014

	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 2012	285,075	(174,156)	24,712	293,401	429,032
Total comprehensive income for the period	<u> </u>	-	-	(6,917)	(6,917)
At 30 June 2013	285,075	(174,156)	24,712	286,484	422,115
At 31 December 2013	285,075	(174,156)	24,712	210,840	346,471
Total comprehensive loss for the period	-	-	-	(18,396)	(18,396)
At 30 June 2014	285,075	(174,156)	24,712	192,444	328,075
	Att	ributable to E	quity Holders	of the Compar	ny
	Att Share capital RM'000	ributable to E Merger reserve RM'000	Statutory reserve RM'000	of the Compar Retained earnings RM'000	Total equity RM'000
At 31 December 2012	Share capital	Merger reserve	Statutory reserve	Retained earnings RM'000	Total equity RM'000
Total comprehensive income for the period	Share capital RM'000	Merger reserve RM'000	Statutory reserve RM'000	Retained earnings RM'000	Total equity RM'000 221,982 (3,578)
	Share capital RM'000	Merger reserve RM'000	Statutory reserve RM'000	Retained earnings RM'000	Total equity RM'000
Total comprehensive income for the period	Share capital RM'000 147,498	Merger reserve RM'000 (90,108)	Statutory reserve RM'000	Retained earnings RM'000	Total equity RM'000 221,982 (3,578)
Total comprehensive income for the period At 30 June 2013 (note a)	Share capital RM'000  147,498	Merger reserve RM'000 (90,108) - (90,108)	Statutory reserve RM'000 12,786	Retained earnings RM'000  151,806 (3,578) 148,228	Total equity RM'000 221,982 (3,578) 218,404

- (a) The presentation currency of this unaudited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the six (6) months financial period ended 30 June 2014 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5174 as at 30 June 2014. 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 Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2013 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 SIX (6) MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2014

Cash flows from operating activities		For the financial year ended 30.06.2014	For the financial year ended 30.06.2013	For the financial year ended 30.06.2014 (Note a)	For the financial year ended 30.06.2013 (Note a)
Coss before taxation   (18,396)   (6,745)   (9,519)   (3,489)   Adjustments for:		RMB'000	RMB'000	RM'000	RM'000
Adjustments for:         (149)         (235)         (77)         (122)           Interest income         (149)         (235)         (77)         (122)           Interest spenses         738         644         382         333           Depreciation of property, plant and equipment         -         1         -         **           Amortisation of land use rights         813         813         421         421           Amortisation of patents         1,100         183         569         95           Operating loss before working capital changes         (11,881)         (1,365)         (6,148)         (700           Decrease in inventories         97         1,423         50         736           (Increase)/Decrease in trade and other receivables         (9,135)         12,785         (4,726)         6,615           Decrease in trade and other payables         (1,343)         (1,670)         (695)         (864)           Cash (used in)/generated from operations         (22,262)         11,173         (11,519)         5,781           Income tax paid         2         (2,262)         11,001         (11,519)         5,692           Vet cash (used in)/generated from operating activities         2         (1,922)         (120)	Cash flows from operating activities				
Adjustments for:         (149)         (235)         (77)         (122)           Interest income         (149)         (235)         (77)         (122)           Interest spenses         738         644         382         333           Depreciation of property, plant and equipment         -         1         -         **           Amortisation of land use rights         813         813         421         421           Amortisation of patents         1,100         183         569         95           Operating loss before working capital changes         (11,881)         (1,365)         (6,148)         (700           Decrease in inventories         97         1,423         50         736           (Increase)/Decrease in trade and other receivables         (9,135)         12,785         (4,726)         6,615           Decrease in trade and other payables         (1,343)         (1,670)         (695)         (864)           Cash (used in)/generated from operations         (22,262)         11,173         (11,519)         5,781           Income tax paid         2         (2,262)         11,001         (11,519)         5,692           Vet cash (used in)/generated from operating activities         2         (1,922)         (120)	Loss before taxation	(18.396)	(6.745)	(9.519)	(3.489)
Interest income   (149)		(,,	(=,: :=)	(,,,,,,	(0,100)
Interest expenses	1 7	(149)	(235)	(77)	(122)
Depreciation of property, plant and equipment   4,013   3,974   2,076   2,056     Loss on disposal of property, plant and equipment   -   1   -   *     Amortisation of land use rights   813   813   421   421     Amortisation of plantents (1,000   183   569   95     Operating loss before working capital changes   (11,881)   (1,365)   (6,148)   (706)     Operating loss before working capital changes   (11,881)   (1,365)   (1,423   50   736     Chercase in inventories   97   1,423   50   6,615     Operating loss before working capital changes   (9,135)   12,785   (4,726   6,615     Operating loss due of the receivables   (1,343)   (1,670   6695)   (864)     Cash (used in)/generated from operations   (22,262)   11,173   (11,519)   5,781     Income tax paid   -   (172)   -   (89)     Net cash (used in)/generated from operating activities   (22,262)   11,001   (11,519)   5,692     Cash flows from investing activities   (232)   (1,922)   (120)   (994)     Acquisition of patents rights   -   (2,308)   -   (1,194)     Acquisition of patents rights   -   (8,800)   -   (1,194)     Acquisition of patents rights   -   (10   -   5   5   5   1     Acquisition of patents rights   -   (1,000   1,000   1,000   (1,000   1,000   1,000   1,000   1,000   1,000     Cash flows from financing activities   (333)   (3,800)   (1,190)   (4,139)   (7,761)     Acquisition for patents rights   -   (4,000)   -   (2,070)     Acquisition of patents rights   -   (4,000)   -   (4,000)   (4,139)   (7,761)     Acquisition of patents rights   -   (4,000)   -   (4,000)   (4,139)   (7,761)     Acquisition of patents rights   -   (4,000)   (4,139)   (4,761)     Acquisition of patents rights   -   (4,000)   (4,139)   (4,761)     Acquisition of patents rights   -   (4,000)   (4,139)   (4,761)     Acquisition of patents rights   -   (4,000)   (4,139)   (	Interest expenses	` '	` /	` '	` ′
Loss on disposal of property, plant and equipment         -         1         -         *           Amortisation of land use rights         813         813         421         421           Amortisation of patents         1,100         183         569         95           Operating loss before working capital changes         (11,881)         (1,365)         (6,148)         (706)           Decrease in inventories         97         1,423         50         756           (Increase)/Decrease in trade and other receivables         (9,135)         12,785         (4,726)         6,615           Decrease in trade and other payables         (1,343)         (1,670)         (695)         (864)           Cash (used in)/generated from operations         (22,262)         11,173         (11,519)         5,781           Income tax paid         -         (172)         -         (89)           Net cash (used in)/generated from operating activities         (22,262)         11,001         (11,519)         5,692           Cash (lused in)/generated from operating activities         -         (2,262)         11,001         (11,519)         5,692           Vet cash (used in)/generated from operating activities         -         (2,208)         -         (1,194)           A	*	4,013	3,974	2,076	2,056
Amortisation of patents		-	1	-	*
Amortisation of patents         1,100         183         569         95           Operating loss before working capital changes         (11,881)         (1,365)         (6,148)         706           Decrease in inventories         97         1,423         50         736           (Increase)/Decrease in trade and other receivables         (9,135)         12,785         (4,726)         6,615           Decrease in trade and other payables         (1,343)         (1,670)         (695)         8640           Cash (used in)/generated from operations         (22,262)         11,101         (11,519)         5,781           Income tax paid         -         (172)         -         (89)           Net cash (used in)/generated from operating activities         22,262)         11,001         (11,519)         5,692           Net cash (used in)/generated from operating activities         -         (172)         -         (89)           Net cash (used in)/generated from operating activities         232         1,922         120         994           Purchase of property, plant and equipment         232         (1,922)         (120)         994           Acquisition of land use rights         2         (8,800)         1         2         1           Proceeds from di		813	813	421	421
Decrease in inventories	e	1,100	183	569	95
(Increase)/Decrease in trade and other receivables         (9,135)         12,785         (4,726)         6,615           Decrease in trade and other payables         (1,343)         (1,670)         (695)         (864)           Cash (used in)/generated from operations         (22,262)         11,173         (11,519)         5,781           Income tax paid         -         (172)         -         (89)           Net cash (used in)/generated from operating activities         -         (1,701)         (11,519)         5,692           Cash flows from investing activities         -         (2,302)         (1,922)         (120)         (994)           Acquisition of land use rights         -         (2,308)         -         (1,194)           Acquisition of patents rights         -         (8,800)         -         (4,553)           Proceeds from disposal of property, plant and equipment         -         (8,800)         -         5           Interest received         149         235         77         122           Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Interest paid         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         (8,000) </td <td>Operating loss before working capital changes</td> <td>(11,881)</td> <td>(1,365)</td> <td>(6,148)</td> <td>(706)</td>	Operating loss before working capital changes	(11,881)	(1,365)	(6,148)	(706)
Decrease in trade and other payables	Decrease in inventories	97	1,423	50	736
Cash (used in)/generated from operations         (22,262)         11,173         (11,519)         5,781           Income tax paid         -         (172)         -         (89)           Net cash (used in)/generated from operating activities         (22,262)         11,001         (11,519)         5,692           Cash flows from investing activities           Purchase of property, plant and equipment         (232)         (1,922)         (120)         (994)           Acquisition of land use rights         -         (2,308)         -         (1,194)           Acquisition of patents rights         -         (8,800)         (4,553)           Proceeds from disposal of property, plant and equipment         -         10         -         5           Interest received         149         235         77         122           Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Cash flows from financing activities         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         8,000         15,000         (4,139)         (7,761)           Inc	(Increase)/Decrease in trade and other receivables	(9,135)	12,785	(4,726)	6,615
Income tax paid	Decrease in trade and other payables	(1,343)	(1,670)	(695)	(864)
Net cash (used in)/generated from operating activities         (22,262)         11,001         (11,519)         5,692           Cash flows from investing activities         8         0         (1,922)         (120)         (994)           Purchase of property, plant and equipment (232)         1,922)         (120)         (994)           Acquisition of land use rights         -         (2,308)         -         (1,194)           Acquisition of patents rights         -         (8,800)         -         (4,553)           Proceeds from disposal of property, plant and equipment (1,502)         -         10         -         5           Interest received         149         235         77         122           Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Cash flows from financing activities         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (73	Cash (used in)/generated from operations	(22,262)	11,173	(11,519)	5,781
Cash flows from investing activities           Purchase of property, plant and equipment         (232)         (1,922)         (120)         (994)           Acquisition of land use rights         -         (2,308)         -         (1,194)           Acquisition of patents rights         -         (8,800)         (4,553)           Proceeds from disposal of property, plant and equipment         -         10         -         5           Interest received         149         235         77         122           Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Cash flows from financing activities         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Ca	Income tax paid	=	(172)	-	(89)
Purchase of property, plant and equipment         (232)         (1,922)         (120)         (994)           Acquisition of land use rights         -         (2,308)         -         (1,194)           Acquisition of patents rights         -         (8,800)         (4,553)           Proceeds from disposal of property, plant and equipment         -         10         -         5           Interest received         149         235         77         122           Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Cash flows from financing activities         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)    Net decrease in cash and cash equivalents  (23,083)  (13,809)  (11,944)  (7,144)  Cash and cash equivalents at beginning of the financial period  (23,083)  (13,809)  (11,944)  (11,944)  (17,144)  (17,144)  (17,144)  (17,144)  (17,144)  (17,144)  (17,144)  (17,144)  (17,144)  (17	Net cash (used in)/generated from operating activities	(22,262)	11,001	(11,519)	5,692
Acquisition of land use rights       -       (2,308)       -       (1,194)         Acquisition of patents rights       -       (8,800)       (4,553)         Proceeds from disposal of property, plant and equipment       -       10       -       5         Interest received       149       235       77       122         Net cash used in investing activities       (83)       (12,785)       (43)       (6,614)         Cash flows from financing activities       (738)       (644)       (382)       (333)         Proceeds from bank borrowings       8,000       7,619       4,139       3,942         Repayment of bank borrowings       (8,000)       (15,000)       (4,139)       (7,761)         Increase of fixed deposit pledged       -       (4,000)       -       (2,070)         Net cash used in financing activities       (738)       (12,025)       (382)       (6,222)         Net decrease in cash and cash equivalents       (23,083)       (13,809)       (11,944)       (7,144)         Cash and cash equivalents at beginning of the financial period       91,819       139,268       47,508       72,057	Cash flows from investing activities				
Acquisition of land use rights       -       (2,308)       -       (1,194)         Acquisition of patents rights       -       (8,800)       (4,553)         Proceeds from disposal of property, plant and equipment       -       10       -       5         Interest received       149       235       77       122         Net cash used in investing activities       (83)       (12,785)       (43)       (6,614)         Cash flows from financing activities       (738)       (644)       (382)       (333)         Proceeds from bank borrowings       8,000       7,619       4,139       3,942         Repayment of bank borrowings       (8,000)       (15,000)       (4,139)       (7,761)         Increase of fixed deposit pledged       -       (4,000)       -       (2,070)         Net cash used in financing activities       (738)       (12,025)       (382)       (6,222)         Net decrease in cash and cash equivalents       (23,083)       (13,809)       (11,944)       (7,144)         Cash and cash equivalents at beginning of the financial period       91,819       139,268       47,508       72,057	Purchase of property, plant and equipment	(232)	(1 922)	(120)	(994)
Acquisition of patents rights         -         (8,800)         (4,553)           Proceeds from disposal of property, plant and equipment         -         10         -         5           Interest received         149         235         77         122           Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Cash flows from financing activities         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057		(232)		(120)	( /
Interest received         149         235         77         122           Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Cash flows from financing activities         Interest paid         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057		-			
Net cash used in investing activities         (83)         (12,785)         (43)         (6,614)           Cash flows from financing activities           Interest paid         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057	Proceeds from disposal of property, plant and equipment	=	10	-	5
Cash flows from financing activities           Interest paid         (738)         (644)         (382)         (333)           Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057	Interest received	149	235	77	122
Interest paid (738) (644) (382) (333) Proceeds from bank borrowings (8,000) 7,619 4,139 3,942 Repayment of bank borrowings (8,000) (15,000) (4,139) (7,761) Increase of fixed deposit pledged - (4,000) - (2,070) Net cash used in financing activities (738) (12,025) (382) (6,222)  Net decrease in cash and cash equivalents (23,083) (13,809) (11,944) (7,144) Cash and cash equivalents at beginning of the financial period 91,819 139,268 47,508 72,057	Net cash used in investing activities	(83)	(12,785)	(43)	(6,614)
Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057	Cash flows from financing activities				
Proceeds from bank borrowings         8,000         7,619         4,139         3,942           Repayment of bank borrowings         (8,000)         (15,000)         (4,139)         (7,761)           Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057	Interest paid	(738)	(644)	(382)	(333)
Repayment of bank borrowings       (8,000)       (15,000)       (4,139)       (7,761)         Increase of fixed deposit pledged       -       (4,000)       -       (2,070)         Net cash used in financing activities       (738)       (12,025)       (382)       (6,222)         Net decrease in cash and cash equivalents       (23,083)       (13,809)       (11,944)       (7,144)         Cash and cash equivalents at beginning of the financial period       91,819       139,268       47,508       72,057	*	` /	` '	` /	` ′
Increase of fixed deposit pledged         -         (4,000)         -         (2,070)           Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057			,		
Net cash used in financing activities         (738)         (12,025)         (382)         (6,222)           Net decrease in cash and cash equivalents         (23,083)         (13,809)         (11,944)         (7,144)           Cash and cash equivalents at beginning of the financial period         91,819         139,268         47,508         72,057	1 7	-		, , ,	
Cash and cash equivalents at beginning of the financial period 91,819 139,268 47,508 72,057	1 1 6	(738)		(382)	· · · · ·
Cash and cash equivalents at beginning of the financial period 91,819 139,268 47,508 72,057	Net decrease in cash and cash equivalents	(23.083)	(13,809)	(11.944)	(7,144)
Cash and cash equivalents at end of the financial period \(^{\} \) 68,736 125,459 35,564 64,913	*	` ' '	` ' '	` ' '	` ' '
	Cash and cash equivalents at end of the financial period ^	68,736	125,459	35,564	64,913

- (a) The presentation currency of this unaudited interim financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the six (6) months financial period ended 30 June 2014 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.5174 as at 30 June 2014. 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 Cash Flow should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the unaudited interim financial statements.
- \* Negligible
- ^ Cash and cash equivalents at the end of the financial period comprise the following balance sheet amount:

	RMB'000	RMB'000	<u>RM'000</u>	RM'000
Cash and bank balances	68,736	125,459	35,564	64,913
Fixed deposit pledged		4,000	-	2,070
	68,736	129,459	35,564	66,983