

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000
Revenue	19,624	23,432	38,126	46,509
Other income	419	569	966	598
Changes in inventories of finished goods and work-in-progress	548	(2,597)	342	(1,932)
Raw materials used	(9,280)	(8,580)	(16,966)	(20,094)
Employee benefits	(4,775)	(5,152)	(9,831)	(9,809)
Depreciation of property, plant and equipment	(1,337)	(1,376)	(2,671)	(2,680)
Other operating expenses	(4,039)	(4,734)	(8,047)	(9,783)
Finance costs	(121)	(129)	(259)	(256)
Profit Before Tax	1,039	1,433	1,661	2,553
Tax expense	(346)	(321)	(548)	(854)
Profit After Tax	693	1,112	1,113	1,699
Other Comprehensive Income				
Exchange differences on translating foreign operations	291	63	359	445
Total Comprehensive Income for the period	984	1,175	1,472	2,144
Profit After Tax Attributable to:				
Owners of the Company	733	1,148	1,194	1,737
Minority Interests	(40)	(36)	(81)	(38)
	693	1,112	1,113	1,699
Total Comprehensive Income Attributable to:				
Owners of the Company	1,024	1,211	1,553	2,182
Minority Interest	(40)	(36)	(81)	(38)
	984	1,175	1,472	2,144
Earnings per Share (Sen)				
Basic (Note B14)	0.95	1.49	1.55	2.26
Diluted (Note B14)	0.95	1.49	1.55	2.26

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2013**

	<u>Unaudited</u> as at 30 June 2013 RM'000	<u>Audited</u> as at 31 December 2012 RM'000
ASSETS		
Non-Current Asset		
Property, plant and equipment	<u>33,149</u>	<u>33,213</u>
Current Assets		
Inventories	8,616	7,770
Trade receivables	10,142	7,348
Other receivables, deposits and prepayments	2,733	1,811
Tax recoverable	558	321
Fixed deposits	4,882	4,795
Cash and bank balances	<u>6,459</u>	<u>8,940</u>
	<u>33,390</u>	<u>30,985</u>
Total Assets	<u><u>66,539</u></u>	<u><u>64,198</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Share premium	5,593	5,593
Treasury shares	(1,843)	(1,843)
Accumulated losses	(1,420)	(2,577)
Foreign exchange translation reserves	<u>223</u>	<u>(133)</u>
Total Equity Attributable to Owners of the Company	42,553	41,040
Minority interest	<u>(28)</u>	<u>13</u>
Total Equity	42,525	41,053
Non-Current Liabilities		
Bank borrowings	2,294	1,625
Deferred taxation	<u>1,817</u>	<u>1,817</u>
	<u>4,111</u>	<u>3,442</u>
Current Liabilities		
Trade payables	9,400	7,664
Other payables and accruals	4,035	4,179
Bank borrowings	6,114	7,616
Bank overdraft	<u>354</u>	<u>244</u>
	<u>19,903</u>	<u>19,703</u>
Total Liabilities	<u>24,014</u>	<u>23,145</u>
Total Equity and Liabilities	<u><u>66,539</u></u>	<u><u>64,198</u></u>
Net Assets per Ordinary Share		
Attributable to Owners of the Company (RM)	<u><u>0.55</u></u>	<u><u>0.53</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	Current Year to Date 30 June 2013 RM'000	Preceding Year Corresponding Period 30 June 2012 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	1,661	2,553
Adjustment for:-		
Non-cash items	3,390	3,598
Non-operating items	131	218
Operating profit before working capital changes	<u>5,182</u>	<u>6,369</u>
Net changes in current assets	(4,562)	(3,809)
Net changes in current liabilities	<u>(369)</u>	<u>(1,570)</u>
CASH FROM OPERATIONS	251	990
Interest paid	(220)	(256)
Tax refund	39	-
Tax paid	<u>(824)</u>	<u>(441)</u>
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	<u>(754)</u>	<u>293</u>
NET CASH FOR INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(275)
Interest received	89	38
Proceed from disposal of property, plant and equipment	-	346
Purchase of property, plant and equipment	<u>(1,411)</u>	<u>(2,279)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,322)</u>	<u>(2,170)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of hire purchase	-	1,263
Drawdown of term loan	1,192	-
Repayment of other short-term bank borrowings	(1,158)	(341)
Repayment of hire purchase	(726)	(981)
Repayment of term loan	<u>(141)</u>	<u>(133)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(833)</u>	<u>(192)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,909)	(2,069)
EFFECT OF CHANGES IN EXCHANGE RATES	405	445
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>11,707</u>	<u>10,950</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>9,203</u>	<u>9,326</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2013 – CONTINUED**

Cash and cash equivalents included in the cash flow statements comprise of the followings:

	30 June 2013 RM'000	30 June 2012 RM'000
Fixed deposits with licenced banks	4,882	2,050
Cash and bank balances	6,459	8,968
Bank overdrafts	(354)	(476)
Less : Fixed deposit pledged to licensed banks	(1,784)	(1,216)
	<u>9,203</u>	<u>9,326</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2013

	<----- Non-Distributable ----->				Distributable	Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Translation Reserves	Accumulated Losses	Attributable to Owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2013	40,000	5,593	(1,843)	(133)	(2,577)	41,040	13	41,053
Profit for the period	-	-	-	-	1,194	1,194	(81)	1,113
Other comprehensive income	-	-	-	359	-	359	-	359
Reclassification	-	-	-	(3)	(37)	(40)	40	-
As at 30 June 2013	40,000	5,593	(1,843)	223	(1,420)	42,553	(28)	42,525
As at 1 January 2012	40,000	5,593	(1,843)	132	(4,358)	39,524	(18)	39,506
Profit for the period	-	-	-	-	1,781	1,781	(50)	1,731
Other comprehensive income	-	-	-	(265)	-	(265)	1	(264)
Acquisition of subsidiaries	-	-	-	-	-	-	80	80
As at 31 December 2012	40,000	5,593	(1,843)	(133)	(2,577)	41,040	13	41,053

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

A. EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134

A1. Basis of Preparation

Statement of compliance

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

Significant accounting policies

- (a) The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the financial statements of the Group for the financial year ended 31 December 2012.

On 1 January 2013, the Group adopted the following accounting standards and interpretations:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurements	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1: Government Loans	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012

The adoption of the above accounting standards and interpretations did not have any material impact on the financial performance or position of the Group.

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

A2. Seasonality or Cyclical Factors

The Group's interim operations were not significantly affected by any seasonal or cyclical factors.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the quarter, there were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A4. Change in Estimates

There were no changes in estimates of amounts reported in prior interim period that have a material effect on the results for the quarter.

A5. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

During the quarter, there were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review.

A6. Dividend Paid

There was no dividend paid during the quarter under review.

A7. Segmental Reporting**(a) By Business Segment**

Business segmental information has been presented as follows.

(b) By Geographical Segment**Current Quarter**

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
As at 30 June 2013					
Revenue					
- Sales to external customer	14,951	4,667	6	-	19,624
- Inter-segment sales	1,501	-	-	(1,501)	-
Total revenue	<u>16,452</u>	<u>4,667</u>	<u>6</u>	<u>(1,501)</u>	<u>19,624</u>
Segment results	<u>693</u>	<u>423</u>	<u>(34)</u>	<u>78</u>	<u>1,160</u>
Finance costs					(121)
Profit before tax					<u>1,039</u>

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

A7. Segmental Reporting – continued**b) By Geographical Segment – continued****Preceding Quarter**

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2013					
Revenue					
- Sales to external customer	14,409	4,091	2	-	18,502
- Inter-segment sales	1,926	-	-	(1,926)	-
Total revenue	<u>16,335</u>	<u>4,091</u>	<u>2</u>	<u>(1,926)</u>	<u>18,502</u>
Segment results	<u>236</u>	<u>348</u>	<u>(43)</u>	<u>218</u>	<u>759</u>
Finance costs					(137)
Profit before tax					<u>622</u>

Preceding Year Corresponding Quarter

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
As at 30 June 2012					
Revenue					
- Sales to external customer	19,680	3,733	19	-	23,432
- Inter-segment sales	2,444	-	-	(2,444)	-
Total revenue	<u>22,124</u>	<u>3,733</u>	<u>19</u>	<u>(2,444)</u>	<u>23,432</u>
Segment results	<u>1,506</u>	<u>188</u>	<u>(49)</u>	<u>(83)</u>	<u>1,562</u>
Finance costs					(129)
Profit before tax					<u>1,433</u>

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**A7. Segmental Reporting – continued****(c) By Industry Segment****Current Quarter**

	Injection Moulding	Cosmetics and Skin Care	Fibre Produced	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 June 2013					
Revenue					
- Sales to external customer	19,036	557	31	-	19,624
- Inter-segment sales	1,501	-	-	(1,501)	-
Total revenue	<u>20,537</u>	<u>557</u>	<u>31</u>	<u>(1,501)</u>	<u>19,624</u>
Segment results	<u>1,672</u>	<u>(301)</u>	<u>(289)</u>	<u>78</u>	<u>1,160</u>
Finance costs					(121)
Profit before tax					<u><u>1,039</u></u>

Preceding Quarter

	Injection Moulding	Cosmetics and Skin Care	Fibre Produced	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 March 2012					
Revenue					
- Sales to external customer	17,880	622	-	-	18,502
- Inter-segment sales	1,926	-	-	(1,926)	-
Total revenue	<u>19,806</u>	<u>622</u>	<u>-</u>	<u>(1,926)</u>	<u>18,502</u>
Segment results	<u>1,115</u>	<u>(292)</u>	<u>(282)</u>	<u>218</u>	<u>759</u>
Finance costs					(137)
Profit before tax					<u><u>622</u></u>

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

A7. Segmental Reporting – continued**(c) By Industry Segment – continued****Preceding Year Corresponding Quarter**

	Injection Moulding	Cosmetics and Skin Care	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 31 June 2012				
Revenue				
- Sales to external customer	22,110	1,322	-	23,432
- Inter-segment sales	2,439	5	(2,444)	-
Total revenue	24,549	1,327	(2,444)	23,432
Segment results	1,715	(70)	(83)	1,562
Finance costs				(129)
Profit before tax				1,433

A8. Material Events Subsequent to the End of the Quarter Under Review

There was no material event subsequent to the end of the quarter that has not been reflected in the interim financial statements.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter.

A10. Changes in Contingent Liabilities or Contingent Assets

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Group's Results for the Quarter Ended 30 June 2013

For the current quarter under review, the Group recorded revenue of RM19.6 million and profit before tax of RM1 million, compared to revenue of RM23.4 million and profit before tax of RM1.4 million for the corresponding quarter in the previous financial year.

The lower profit in the quarter was due to losses by the agricultural fibre products subsidiary and the cosmetics and skin care segment.

B2. Variation of Results Against Preceding Quarter

The Group reported a profit before tax of RM1,039,000 compared to the preceding quarter's profit before tax of RM622,000.

Revenue was slightly higher with the plastic segment recorded higher profits due to higher volume and lower staff costs compared to the preceding quarter.

B3. Prospects of the Group

In light with the increasing challenging operating environment. The Group is formulating steps to mitigate any adverse impact on its revenue and profitability.

B4. Profit Forecast

The Group did not publish any profit forecast during the quarter.

B5. Explanation Note on Profit Forecast

Not Applicable.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

B6. Tax Expense

Tax expense comprises of the followings:-

	Individual quarter ended		Cumulative quarter ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
In respect of the current period:-				
Income tax	346	306	548	839
Deferred tax	-	-	-	-
	<u>346</u>	<u>306</u>	<u>548</u>	<u>839</u>
In respect of the prior year:				
Income tax	-	15	-	15
Deferred tax	-	-	-	-
Tax expense	<u>346</u>	<u>321</u>	<u>548</u>	<u>854</u>

B7. Sale of Unquoted Investments, or Properties

There was no disposal of unquoted investments, or properties during the quarter.

B8. Purchase or Disposal of Quoted and Marketable Securities

There was no purchase or disposal of quoted and marketable securities during the quarter.

B9. Corporate Proposals

There were no corporate proposals during the quarter.

B10. Borrowings

The Group's borrowings, all are repayable in Ringgit Malaysia and secured, as of the end of the quarter are as follows:-

	30 June 2013 RM'000	31 December 2012 RM'000
Short Term Borrowings		
Bankers' acceptance	4,662	5,459
Bill payable	-	361
Term loans	452	550
Hire purchase payable	1,000	1,246
	<u>6,114</u>	<u>7,616</u>
Long Term Borrowings		
Term loans	1,443	294
Hire purchase payable	851	1,331
	<u>2,294</u>	<u>1,625</u>
	<u>8,408</u>	<u>9,241</u>

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B12. Material Litigation

The directors do not have any knowledge of any proceedings pending or threatened against the Group as the date of this report.

B13. Dividends

There was no dividend declared or proposed by the company for the quarter ended 30 June 2013.

B14. Earnings per Share (EPS)**Basic earnings per share**

	Individual quarter ended		Cumulative quarter ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Profit / (Loss) attributable to ordinary shareholders (RM'000)	733	1,148	1,194	1,737
Weighted average number of shares in issue (RM'000)#	76,908	76,908	76,908	76,908
Basic PPS (Sen)	<u>0.95</u>	<u>1.49</u>	<u>1.55</u>	<u>2.26</u>

Note:

Upon deducting 3,092,000 treasury shares held by the company as at end of the quarter under review.

Diluted PPS

Diluted PPS is equal to the basic PPS as there were no potential ordinary shares outstanding in both the previous and current financial years.

B15. Audit Report

The auditors' report of the company for the financial year ended 31 December 2012 was not subject to any qualification.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

B16. Notes to the Statement of Comprehensive Income

	Individual quarter ended		Cumulative quarter ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after crediting:-				
Interest income	45	19	89	38
Gain on disposal of property, plant and equipment	-	88	-	170
Gain on foreign exchange				
- Realised	72	171	51	10
- Unrealised	485	468	686	356
Reversal of allowance for impairment losses on inventories		-		-
and charging:-				
Interest expense	102	111	220	226
Depreciation of property, plant and equipment	1,337	1,376	2,671	2,680
Allowance for impairment losses on receivables	-	-	-	-
Allowance for impairment losses on inventories	-	-	-	-
Bad debts written off	-	1	-	1
Goodwill written off	-	-	-	-
Plant and equipment written off	22	-	77	-
Loss on disposal of property, plant and equipment	4	-	4	3
Loss on foreign exchange				
- Realised	-	-	-	117
- Unrealised	44	-	44	-

Save as disclosed in the above, there were no gain/(loss) on disposal of quoted/unquoted investments, exceptional items, and other items required to be disclosed under the additional disclosure requirement for public listed companies that are listed on Main or Ace Markets of the Bursa Malaysia Securities Berhad for the current quarter and period ended 30 June 2013.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

B17. Realised/Unrealised Losses

	30 June 2013 RM'000	31 December 2012 RM'000
Total realised losses of Ge-Shen Corporation Berhad and its subsidiaries	(289)	(1,165)
Total unrealised losses of Ge-Shen Corporation Berhad and its subsidiaries		
- in respect of deferred tax recognised in the income statement	(1,817)	(1,817)
- in respect of unrealised gain on foreign exchange	686	405
- other unrealised losses	-	-
Total realised/unrealised losses	<u>(1,420)</u>	<u>(2,577)</u>