

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
Revenue	22,479	19,552	84,129	89,603
Other income	1,346	554	3,150	1,144
Changes in inventories of finished goods and work-in-progress	765	574	1,819	(1,651)
Raw materials used	(10,850)	(10,537)	(38,987)	(41,684)
Employee benefits	(5,561)	(3,857)	(20,800)	(18,168)
Depreciation of property, plant and equipment	(1,619)	(1,431)	(5,747)	(5,471)
Other operating expenses	(5,591)	(5,604)	(18,760)	(20,277)
Finance costs	(203)	(103)	(576)	(476)
Profit/(Loss) Before Tax	766	(852)	4,228	3,020
Tax expense	(715)	(37)	(2,091)	(1,289)
Profit/(Loss) After Tax	51	(889)	2,137	1,731
Other Comprehensive Income				
Exchange differences on translating foreign operations	(119)	(108)	567	(264)
Total Comprehensive Income for the period	(68)	(997)	2,704	1,467
Profit/(Loss) After Tax Attributable to:				
Owners of the Company	(133)	(848)	2,087	1,781
Minority Interests	184	(41)	50	(50)
	51	(889)	2,137	1,731
Total Comprehensive Income Attributable to:				
Owners of the Company	(260)	(959)	2,646	1,561
Minority Interest	192	(38)	58	(49)
	(68)	(997)	2,704	1,467
Earnings per Share (Sen)				
Basic (Note B14)	(0.17)	(1.10)	2.71	2.32
Diluted (Note B14)	(0.17)	(1.10)	2.71	2.32

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 BERHAD

Company No. 633814-X
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013**

	<u>Unaudited</u> as at 31 December 2013 RM'000	<u>Audited</u> as at 31 December 2012 RM'000
ASSETS		
Non-Current Asset		
Property, plant and equipment	36,221	33,213
Current Assets		
Inventories	10,361	7,770
Trade receivables	10,085	7,348
Other receivables, deposits and prepayments	1,456	1,811
Tax recoverable	94	321
Fixed deposits	4,927	4,795
Cash and bank balances	10,398	8,940
	<u>37,321</u>	<u>30,985</u>
Total Assets	<u>73,542</u>	<u>64,198</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	(490)	(2,577)
Foreign exchange translation reserves	426	(133)
	<u>43,686</u>	<u>41,040</u>
Total Equity Attributable to Owners of the Company	<u>43,686</u>	<u>41,040</u>
Minority interest	71	13
Total Equity	<u>43,757</u>	<u>41,053</u>
Non-Current Liabilities		
Bank borrowings	2,407	1,625
Deferred taxation	2,125	1,817
	<u>4,532</u>	<u>3,442</u>
Current Liabilities		
Trade payables	10,983	7,664
Other payables and accruals	6,308	4,179
Bank borrowings	7,131	7,616
Bank overdraft	575	244
Tax payables	256	-
	<u>25,253</u>	<u>19,703</u>
Total Liabilities	<u>29,785</u>	<u>23,145</u>
Total Equity and Liabilities	<u>73,542</u>	<u>64,198</u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)	<u>0.57</u>	<u>0.53</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.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

	Current Year to Date 31 December 2013 RM'000	Preceding Year Corresponding Period 31 December 2012 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	4,228	3,020
Adjustment for:		
Non-cash items	4,652	5,245
Non-operating items	174	195
Operating profit before working capital changes	<u>9,054</u>	<u>8,460</u>
Net changes in current assets	(6,145)	3,569
Net changes in current liabilities	7,894	(3,093)
CASH FROM OPERATIONS	<u>10,803</u>	<u>8,936</u>
Interest paid	(491)	(434)
Tax refund	-	-
Tax paid	<u>(1,300)</u>	<u>(1,911)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>9,012</u>	<u>6,591</u>
NET CASH FOR INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(275)
Interest received	175	81
Proceed from disposal of property, plant and equipment	337	356
Purchase of property, plant and equipment	<u>(8,886)</u>	<u>(4,684)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(8,374)</u>	<u>(4,522)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of hire purchase	682	-
Drawdown of term loan	1,235	495
Repayment of other short-term bank borrowings	(120)	319
Placement of fixed deposits pledged to licensed banks	(132)	(568)
Repayment of hire purchase	(991)	(1,720)
Repayment of term loan	(509)	(280)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u>165</u>	<u>(1,754)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>803</u>	<u>315</u>
EFFECT OF CHANGES IN EXCHANGE RATES 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>12,966</u>	<u>11,707</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.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013 – CONTINUED**

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

	31 December 2013 RM'000	31 December 2012 RM'000
Fixed deposits with licenced banks	4,927	4,795
Cash and bank balances	10,398	8,940
Bank overdrafts	(575)	(244)
Less : Fixed deposit pledged to licensed banks	(1,784)	(1,784)
	<u>12,966</u>	<u>11,707</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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FORTH QUARTER ENDED 31 DECEMBER 2013

	<----- Non-Distributable ----->				Distributable Accumulated Losses	Total Attributable to Owners of the Company	Minority Interest	Total Equity
	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Translation Reserves				
	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	-	-	-	-	2,087	2,087	50	2,137
Other comprehensive income	-	-	-	559	-	559	8	567
As at 30 September 2013	40,000	5,593	(1,843)	426	(490)	43,686	71	43,757
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.

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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 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurements	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 – (Annual Improvement 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116 Property, Plant and Equipment	1 January 2013
Amendments to MFRS 119 Employee Benefits	1 January 2013

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
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announce by MASB
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

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A2. Seasonality or Cyclicity 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 31 December 2013					
Revenue					
- Sales to external customer	16,980	5,214	285	-	22,479
- Inter-segment sales	1,828	-	-	(1,828)	-
Total revenue	18,808	5,214	285	(1,828)	22,479
Segment results	954	(42)	133	(76)	969
Finance costs					(203)
Profit before tax					766

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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 30 September 2013					
Revenue					
- Sales to external customer	18,348	5,071	113	-	23,524
- Inter-segment sales	1,522	-	-	(1,522)	-
Total revenue	19,870	5,070	113	(1,522)	23,524
Segment results	1,669	619	36	(415)	1,909
Finance costs					(109)
Profit before tax					1,800

Preceding Year Corresponding Quarter

	Malaysia RM'000	Vietnam RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
As at 31 December 2012					
Revenue					
- Sales to external customer	15,348	4,160	44	-	19,552
- Inter-segment sales	1,574	-	-	(1,574)	-
Total revenue	16,922	4,160	44	(1,574)	19,552
Segment results	482	21	(57)	(1,195)	(749)
Finance costs					(103)
Loss before tax					(852)

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A7. Segmental Reporting – continued**(c) By Industry Segment****Current Quarter**

	Injection Moulding	Cosmetics and Skin Care	Fibre Products	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2013					
Revenue					
- Sales to external customer	21,100	1,303	76		22,479
- Inter-segment sales	1,828	-	-	(1,828)	-
Total revenue	22,928	1,303	76	(1,828)	22,479
Segment results	1,475	190	(620)	(76)	969
Finance costs					(203)
Profit before tax					766

Preceding Quarter

	Injection Moulding	Cosmetics and Skin Care	Fibre Products	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 September 2013					
Revenue					
- Sales to external customer	22,298	1,113	143	-	23,524
- Inter-segment sales	1,522	-	-	(1,522)	-
Total revenue	23,820	1,113	143	(1,522)	23,524
Segment results	3,274	(643)	(307)	(415)	1,909
Finance costs					(109)
Profit before tax					1,800

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

	Injection Moulding	Cosmetics and Skin Care	Fibre Products	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2012					
Revenue					
- Sales to external customer	18,034	1,518	-	-	19,552
- Inter-segment sales	1,574	-	-	(1,574)	-
Total revenue	19,068	1,518	-	(1,574)	19,552
Segment results	698	(94)	(158)	(1,195)	(749)
Finance costs					(103)
Loss before tax					(852)

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 are no material changes in the composition of the Group for the current financial period ended 31 December 2013.

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.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Group's Results for the Quarter Ended 31 December 2013

For the current quarter under review, the Group recorded revenue of RM22.5 million and profit before tax of RM766 thousand, compared to revenue of RM19.5 million and loss before tax of RM852 thousand for the corresponding quarter in the previous financial year.

B2. Variation of Results Against Preceding Quarter

The Group reported lower profit before tax of RM766 thousand compared to the preceding quarter's profit before tax of RM1.80 million.

The weaker performance was caused by lower sales for the current quarter.

B3. Prospects of the Group

The Group views the current year with cautious optimism, and looks forward to delivering satisfactory results.

B4. Profit Forecast

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

B5. Explanation Note on Profit Forecast

Not Applicable.

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B6. Tax Expense

Tax expense comprises of the followings:

	Individual quarter ended		Cumulative quarter ended	
	31 December	31 December	31 December	31 December
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Income tax	(380)	(95)	(1,756)	(1,331)
Deferred tax	(308)	80	(308)	80
	<u>(688)</u>	<u>(15)</u>	<u>(2,064)</u>	<u>(1,251)</u>
In respect of the prior year:				
Income tax	(27)	11	(27)	(5)
Deferred tax	-	(33)	-	(33)
Tax expense	<u>(715)</u>	<u>(37)</u>	<u>(2,091)</u>	<u>(1,289)</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:

	31 December	31 December
	2013	2012
	RM'000	RM'000
Short Term Borrowings		
Bankers' acceptance	5,700	5,459
Bill payable	-	361
Term loans	440	550
Hire purchase payable	991	1,246
	<u>7,131</u>	<u>7,616</u>
Long Term Borrowings		
Term loans	1,130	294
Hire purchase payable	1,277	1,331
	<u>2,407</u>	<u>1,625</u>
	<u>9,538</u>	<u>9,241</u>

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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 current quarter ended 31 December 2013.

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

	Individual quarter ended		Cumulative quarter ended	
	31 December	31 December	31 December	31 December
	2013	2012	2013	2012
Profit / (Loss) attributable to ordinary shareholders (RM'000)	(133)	(848)	2,087	1,781
Weighted average number of shares in issue (RM'000)*	76,908	76,908	76,908	76,908
Basic PPS (Sen)	<u>(0.17)</u>	<u>(1.10)</u>	<u>2.71</u>	<u>2.32</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.

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B16. Notes to the Statement of Comprehensive Income

	Individual quarter ended		Cumulative quarter ended	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
Profit before taxation is arrived at after crediting:				
Interest income	41	24	175	81
Gain on disposal of property, plant and equipment	30	-	83	158
Gain on foreign exchange				
- Realised	447	9	1,114	25
- Unrealised	804	291	1,596	405
and charging:				
Interest expense	183	105	491	435
Depreciation of property, plant and equipment	1,657	1,431	5,785	5,471
Allowance for impairment losses on receivables	135	-	135	-
Allowance for impairment losses on inventories	249	-	249	319
Bad debts written off	52	-	52	6
Goodwill written off	-	-	715	195
Plant and equipment written off	14	7	14	7
Loss on disposal of property, plant and equipment	-	-	-	-
Loss on foreign exchange				
- Realised	(10)	304	64	681
- Unrealised	(48)	-	6	-

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 31 December 2013.

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B17. Realised/Unrealised Losses

	31 December 2013 RM'000	31 December 2012 RM'000
Total realised profits/(loss) of Ge-Shen Corporation Berhad and its subsidiaries	45	(1,165)
Total unrealised losses of Ge-Shen Corporation Berhad and its subsidiaries		
- in respect of deferred tax recognised in the income statement	(2,125)	(1,817)
- in respect of unrealised gain on foreign exchange	1,590	405
- other unrealised losses		-
Total realised/unrealised losses	<u>(490)</u>	<u>(2,577)</u>