

**GE-SHEN CORPORATION BERHAD**Company No. 633814-X  
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year to Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	20,846	18,502	20,846	18,502
Other income	1,451	547	1,451	547
Changes in inventories of finished goods and work-in-progress	413	(207)	413	(207)
Raw materials used	(9,969)	(7,686)	(9,969)	(7,686)
Employee benefits	(5,148)	(5,056)	(5,148)	(5,056)
Depreciation of property, plant and equipment	(1,558)	(1,334)	(1,558)	(1,334)
Other operating expenses	(4,745)	(4,007)	(4,745)	(4,007)
Finance costs	(147)	(137)	(147)	(137)
<b>Profit Before Tax</b>	<b>1,143</b>	<b>622</b>	<b>1,143</b>	<b>622</b>
Tax expense	(567)	(202)	(567)	(202)
<b>Profit After Tax</b>	<b>576</b>	<b>420</b>	<b>576</b>	<b>420</b>
<b>Other Comprehensive Income</b>				
Exchange differences on translating foreign operations	(232)	67	(232)	67
<b>Total Comprehensive Income for the period</b>	<b>344</b>	<b>487</b>	<b>344</b>	<b>487</b>
<b>Profit /(Loss) After Tax Attributable to:</b>				
Owners of the Company	588	461	588	461
Minority Interests	(12)	(41)	(12)	(41)
	<b>576</b>	<b>420</b>	<b>576</b>	<b>420</b>
<b>Total Comprehensive Income Attributable to:</b>				
Owners of the Company	356	528	356	528
Minority Interest	(12)	(41)	(12)	(41)
	<b>344</b>	<b>487</b>	<b>344</b>	<b>487</b>
<b>Earnings per Share (Sen)</b>				
Basic (Note B14)	0.76	0.60	0.76	0.60
Diluted (Note B14)	0.76	0.60	0.76	0.60

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 FINANCIAL POSITION  
AT 31 MARCH 2014**

	<u>Unaudited</u> as at 31 March 2014 RM'000	<u>Audited</u> as at 31 December 2013 RM'000
<b>ASSETS</b>		
<b>Non-Current Asset</b>		
Property, plant and equipment	<u>35,032</u>	<u>36,221</u>
<b>Current Assets</b>		
Inventories	11,037	10,227
Trade receivables	10,393	10,088
Other receivables, deposits and prepayments	1,298	1,453
Tax recoverable	-	99
Fixed deposits	4,970	4,927
Cash and bank balances	<u>7,683</u>	<u>10,398</u>
	<u>35,381</u>	<u>37,192</u>
<b>Total Assets</b>	<u><u>70,413</u></u>	<u><u>73,413</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	40,000	40,000
Share premium	5,593	5,593
Treasury shares	(1,843)	(1,843)
Retained Earnings/(Accumulated losses)	96	(492)
Foreign exchange translation reserves	73	305
	<u>43,919</u>	<u>43,563</u>
<b>Total Equity Attributable to Owners of the Company</b>	<u>43,919</u>	<u>43,563</u>
Minority interest	<u>60</u>	<u>72</u>
<b>Total Equity</b>	<u>43,979</u>	<u>43,635</u>
<b>Non-Current Liabilities</b>		
Bank borrowings	2,413	2,407
Deferred taxation	2,186	2,125
	<u>4,599</u>	<u>4,532</u>
<b>Current Liabilities</b>		
Trade payables	10,450	10,988
Other payables and accruals	4,027	6,389
Bank borrowings	6,724	7,131
Bank overdraft	456	494
Tax payables	178	244
	<u>21,835</u>	<u>25,246</u>
<b>Total Liabilities</b>	<u>26,434</u>	<u>29,778</u>
<b>Total Equity and Liabilities</b>	<u><u>70,413</u></u>	<u><u>73,413</u></u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)	<u><u>0.57</u></u>	<u><u>0.57</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 2013 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 FLOWS STATEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	<b>Current Year to Date 31 March 2014 RM'000</b>	<b>Preceding Year Corresponding Period 31 March 2013 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before tax	1,143	622
Adjustment for:		
Non-cash items	924	987
Non-operating items	-	163
Operating profit before working capital changes	<u>2,067</u>	<u>1,772</u>
Net changes in current assets	(895)	(4,945)
Net changes in current liabilities	<u>(2,889)</u>	<u>130</u>
<b>CASH USED IN OPERATIONS</b>	(1,717)	(3,043)
Interest paid	(126)	(118)
Tax refund	(473)	39
Tax paid		(445)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(2,316)</u>	<u>(3,567)</u>
<b>NET CASH FOR INVESTING ACTIVITIES</b>		
Interest received	44	44
Proceed from disposal of property, plant and equipment	92	-
Purchase of property, plant and equipment	<u>(120)</u>	<u>(1,411)</u>
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<u>16</u>	<u>(1,367)</u>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Net repayment of other short-term bank borrowings	(521)	(799)
Placement of fixed deposits pledged to licensed banks	(17)	-
Net drawdown/(repayment) of hire purchase	240	(364)
Net repayment/(drawdown) of term loan	<u>(120)</u>	<u>712</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(418)</u>	<u>(451)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,718)	(5,385)
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	67	49
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>12,983</u>	<u>11,707</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>10,332</u>	<u>6,371</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and accompanying explanatory notes attached to the interim financial statements.

**GE-SHEN CORPORATION BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 – CONTINUED**

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

	<b>31 March 2014 RM'000</b>	31 March 2013 RM'000
Fixed deposits with licenced banks	<b>4,970</b>	4,839
Cash and bank balances	<b>7,683</b>	3,758
Bank overdrafts	<b>(456)</b>	(442)
Less : Fixed deposit pledged to licensed banks	<b>(1,865)</b>	(1,784)
	<b><u>10,332</u></b>	<u>6,371</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and accompanying explanatory notes attached to the interim financial statements.

**GE-SHEN CORPORATION BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	<----- Non-Distributable ----->				Distributable Retained Earnings / (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 2014	40,000	5,593	(1,843)	305	(492)	43,563	72	43,635
Profit for the period	-	-	-	-	588	588	(12)	576
Other comprehensive income	-	-	-	(232)	-	(232)	-	(232)
As at 31 March 2014	<b>40,000</b>	<b>5,593</b>	<b>(1,843)</b>	<b>73</b>	<b>96</b>	<b>43,919</b>	<b>60</b>	<b>43,979</b>
As at 1 January 2013	40,000	5,593	(1,843)	(133)	(2,577)	41,040	13	41,053
Profit for the period	-	-	-	-	461	461	(41)	420
Other comprehensive income	-	-	-	67	-	67	-	67
Reclassification	-	-	-	(3)	(37)	(40)	40	-
As at 31 March 2013	<b>40,000</b>	<b>5,593</b>	<b>(1,843)</b>	<b>(69)</b>	<b>(2,153)</b>	<b>41,528</b>	<b>12</b>	<b>41,540</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and accompanying explanatory notes attached to the interim financial statements.

**GE-SHEN CORPORATION BERHAD**

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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 2013. 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 2013.

**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 2013.

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

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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:-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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

**GE-SHEN CORPORATION BERHAD**

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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**

	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Singapore RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>As at 31 March 2014</b>					
Revenue					
- Sales to external customer	15,878	4,928	40	-	20,846
- Inter-segment sales	1,539	-	-	(1,539)	-
Total revenue	17,417	4,928	40	(1,539)	20,846
Segment results	918	162	(39)	249	1,290
Finance costs					(147)
Profit before tax					1,143

**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
<b>As at 31 December 2013</b>					
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

**Preceding Year Corresponding Quarter**

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



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

	<b>Injection Moulding</b>	<b>Cosmetics and Skin Care</b>	<b>Fibre Products</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 March 2014</b>					
Revenue					
- Sales to external customer	19,980	782	84	-	20,846
- Inter-segment sales	1,539	-	-	(1,539)	-
Total revenue	21,519	782	84	(1,539)	20,846
Segment results	1,658	(209)	(408)	249	1,290
Finance costs					(147)
Profit before tax					1,143

**Preceding Quarter**

	<b>Injection Moulding</b>	<b>Cosmetics and Skin Care</b>	<b>Fibre Products</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 December 2013</b>					
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

**GE-SHEN CORPORATION BERHAD**

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

	<b>Injection Moulding</b>	<b>Cosmetics and Skin Care</b>	<b>Fibre Products</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 March 2013</b>					
Revenue					
- Sales to external customer	17,880	622	-	-	18,502
- Inter-segment sales	1,926	-	-	(1,926)	-
Total revenue	19,806	622	-	(1,926)	18,502
Segment results	1,115	(292)	(282)	218	759
Finance costs					(137)
Profit before tax					622

**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 March 2014.

**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**

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of Group's Results for the Quarter Ended 31 March 2014**

For the current quarter under review, the Group recorded revenue of RM20.8 million and profit before tax of RM1.1 million, compared to revenue of RM18.5 million and profit before tax of RM622 thousand for the corresponding quarter in the previous financial year.

**B2. Variation of Results Against Preceding Quarter**

The Group reported higher profit before tax of RM1.1 million compared to the preceding quarter's profit before tax of RM766 thousand.

Although revenue decreased, better profitability was achieved due to stronger tooling sales and United States Dollars.

**B3. Prospects of the Group**

The Group views the current business conditions as challenging and looks forward to delivering a positive result this year.

**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**

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**B6. Tax Expense**

Tax expense comprises of the followings:

	Individual quarter ended		Cumulative quarter ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
In respect of the current period:				
Income tax	(506)	(202)	(506)	(202)
Deferred tax	(61)	-	(61)	-
	<u>(567)</u>	<u>(202)</u>	<u>(567)</u>	<u>(202)</u>
In respect of the prior year:				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
Tax expense	<u>(567)</u>	<u>(202)</u>	<u>(567)</u>	<u>(202)</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 March 2014 RM'000	31 December 2013 RM'000
<b>Short Term Borrowings</b>		
Bankers' acceptance	5,178	5,700
Bill payable	-	-
Term loans	440	440
Hire purchase payable	1,106	991
	<u>6,724</u>	<u>7,131</u>
<b>Long Term Borrowings</b>		
Term loans	1,010	1,130
Hire purchase payable	1,403	1,277
	<u>2,413</u>	<u>2,407</u>
	<u>9,137</u>	<u>9,538</u>

**GE-SHEN CORPORATION BERHAD**

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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 March 2014.

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

	Individual quarter ended		Cumulative quarter ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
Profit / (Loss) attributable to ordinary shareholders (RM'000)	588	461	588	461
Weighted average number of shares in issue (RM'000)*	76,908	76,908	76,908	76,908
Basic PPS (Sen)	<u>0.76</u>	<u>0.60</u>	<u>0.76</u>	<u>0.60</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 2013 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	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after crediting:				
Interest income	44	45	44	45
Gain on disposal of property, plant and equipment	24	-	24	-
Gain on foreign exchange				
- Realised	1,118	-	1,118	-
- Unrealised	219	402	219	402
and charging:				
Interest expense	126	118	126	118
Depreciation of property, plant and equipment	1,091	1,334	1,091	1,344
Allowance for impairment losses on receivables	-	-	-	-
Allowance for impairment losses on inventories	82	296	82	296
Bad debts written off	-	-	-	-
Goodwill written off	-	-	-	-
Plant and equipment written off	-	55	-	55
Loss on disposal of property, plant and equipment	-	-	-	-
Loss on foreign exchange				
- Realised	217	21	217	21
- Unrealised	-	-	-	-

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.

**GE-SHEN CORPORATION BERHAD**

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**B17. Realised/Unrealised Losses**

	<b>31 March 2014 RM'000</b>	<b>31 March 2013 RM'000</b>
Total realised profits/(loss) of Ge-Shen Corporation Berhad and its subsidiaries		
Total unrealised losses of Ge-Shen Corporation Berhad and its subsidiaries	<b>2,063</b>	(738)
- in respect of deferred tax recognised in the income statement	<b>(2,186)</b>	(1,817)
- in respect of unrealised gain on foreign exchange	<b>219</b>	402
- other unrealised losses		
Total realised/unrealised profit/(loss)	<b>96</b>	<b>(2,153)</b>