

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

Second Quarter Results
Period ended
30 June 2016

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
Revenue	38,212	36,226	76,361	53,956
Other income	(391)	514	350	1,551
Changes in inventories of finished goods and work-in-progress	(215)	2,192	(1,142)	446
Raw materials used	(17,985)	(18,072)	(34,558)	(23,776)
Employee benefits	(8,356)	(7,715)	(16,612)	(11,937)
Depreciation of property, plant and equipment	(1,682)	(1,595)	(3,280)	(2,864)
Other operating expenses	(5,686)	(7,079)	(14,373)	(11,059)
Finance costs	(413)	(246)	(637)	(345)
Profit before tax	3,484	4,225	6,109	5,972
Tax expense (Note B6)	(1,332)	(1,404)	(2,496)	(1,984)
Profit for the period	2,152	2,821	3,613	3,988
Other Comprehensive Income				
Exchange differences on translating foreign operations	136	148	(455)	633
Total Comprehensive Income for the period	2,288	2,969	3,158	4,621
Profit After Tax Attributable to:				
Owners of the Company	1,848	2,305	2,904	3,472
Non-Controlling Interest	304	516	709	516
	2,152	2,821	3,613	3,988
Total Comprehensive Income Attributable to:				
Owners of the Company	1,984	2,453	2,449	4,105
Non-Controlling Interest	304	516	709	516
	2,288	2,969	3,158	4,621
Earnings per Share (Sen)				
Basic (Note B14)	2.40	2.99	3.78	4.51
Diluted (Note B14)	1.79	2.31	2.84	3.45

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 30 JUNE 2016**

	<u>Unaudited</u> at 30 June 2016 RM'000	<u>Audited</u> at 31 December 2015 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	47,922	44,554
Goodwill on consolidation	28,726	28,726
	<u>76,648</u>	<u>73,280</u>
Current Assets		
Inventories	15,589	16,473
Trade receivables	23,669	24,139
Other receivables, deposits and prepayments	2,973	2,112
Tax recoverable	46	483
Fixed deposits with licensed banks	2,193	2,241
Cash and bank balances	18,425	17,843
	<u>62,895</u>	<u>63,291</u>
Total Assets	<u>139,543</u>	<u>136,571</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Share premium	5,593	5,593
Treasury shares	(1,843)	(1,843)
Redeemable convertible preference share	13,738	13,738
Foreign exchange translation reserves	1,984	2,439
Retained earnings	12,720	14,744
	<u>72,192</u>	<u>74,671</u>
Total Equity Attributable to Owners of the Company	<u>72,192</u>	<u>74,671</u>
Non-controlling interest	-	13,566
Total Equity	<u>72,192</u>	<u>88,237</u>
Non-Current Liabilities		
Long term borrowings (Note B10)	22,806	4,094
Redeemable convertible preference share	3,418	3,568
Deferred taxation	3,338	3,220
	<u>29,562</u>	<u>10,882</u>
Current Liabilities		
Trade payables	19,746	17,460
Other payables and accruals	7,026	9,493
Short term borrowings (Note B10)	10,093	8,261
Tax payables	924	2,238
	<u>37,789</u>	<u>37,452</u>
Total Liabilities	<u>67,351</u>	<u>48,334</u>
Total Equity and Liabilities	<u>139,543</u>	<u>136,571</u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)	<u>0.94</u>	<u>0.97</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016**

	Current Year to Date 30 June 2016 RM'000	Preceding Year Corresponding Period 30 June 2015 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	6,109	5,972
Adjustments for:		
Depreciation of property, plant and equipment	3,280	2,865
Interest expenses	637	214
Loss on foreign exchange - unrealised	816	-
Property, plant and equipment written off	-	65
(Gain)/Loss on disposal of property, plant and equipment	(2)	30
Gain on foreign exchange - unrealised	-	(4,069)
Interest income	(47)	(61)
Operating profit before working capital changes	<u>10,793</u>	<u>5,016</u>
Decrease/(Increase) in inventories	741	(1,931)
(Increase)/Decrease in trade and other receivables	(248)	499
(Decrease)/Increase in trade and other payables	<u>(1,066)</u>	<u>4,548</u>
CASH FROM OPERATIONS	10,220	8,132
Interest paid	(637)	(214)
Tax paid	<u>(3,255)</u>	<u>(2,505)</u>
NET CASH FROM OPERATING ACTIVITIES	6,328	5,413
NET CASH FOR INVESTING ACTIVITIES		
Interest received	47	61
Purchase of interest in a subsidiary	(18,328)	(33,042)
Proceeds from disposal of property, plant and equipment	2	-
Purchase of property, plant and equipment	<u>(4,322)</u>	<u>(256)</u>
NET CASH USED IN INVESTING ACTIVITIES	(22,601)	(33,237)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net drawdown/(repayment) of other short-term bank borrowings	(307)	(2,147)
Drawdown of redeemable convertible preference share	-	18,000
Dividend paid to non-controlling interest	(875)	-
Placement of fixed deposits pledged to licensed banks	(38)	(33)
Net drawdown/(repayment) of hire purchase obligations	(1,163)	(732)
Net drawdown/(repayment) of term loans	<u>17,849</u>	<u>45</u>
NET FROM/(USED IN) FINANCING ACTIVITIES	15,466	15,133

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and accompanying explanatory notes attached to the interim financial statements.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 – CONTINUED**

	Current Year to Date	Preceding Year Corresponding Period
	30 June 2016	30 June 2015
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(807)	(12,691)
EFFECT OF CHANGES IN EXCHANGE RATES	(439)	1,145
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,008	16,707
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,762	5,161

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

	30 June 2016	30 June 2015
	RM'000	RM'000
Fixed deposits with licenced banks	2,193	1,922
Cash and bank balances	18,425	7,555
Bank overdraft	(2,663)	(2,394)
Less : Fixed deposit pledged to licensed banks	(2,193)	(1,922)
	15,762	5,161

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 SECOND QUARTER ENDED 30 JUNE 2016

	←----- Non-Distributable -----→					Distributable	Total Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Redeemable convertible preference share	Foreign Exchange Translation Reserves				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2015	40,000	5,593	(1,843)	-	762	2,052	46,564	-	46,564
Profit for the period	-	-	-	-	-	3,472	3,472	516	3,988
Other comprehensive income:									
- Foreign currency translation difference	-	-	-	-	633	-	633	-	633
- Contribution by non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	3,633	3,633
Equity component of redeemable convertible preference share	-	-	-	13,738	-	-	13,738	-	13,738
As at 30 June 2015	<u>40,000</u>	<u>5,593</u>	<u>(1,843)</u>	<u>13,738</u>	<u>1,395</u>	<u>5,524</u>	<u>64,407</u>	<u>4,149</u>	<u>68,556</u>
As at 1 January 2016	40,000	5,593	(1,843)	13,738	2,439	14,744	74,671	13,566	88,237
Profit for the period	-	-	-	-	-	2,904	2,904	709	3,613
Other comprehensive income:									
- Dividend to non-controlling interest	-	-	-	-	-	-	-	(875)	(875)
- Foreign currency translation difference	-	-	-	-	(455)	-	(455)	-	(455)
Arising from acquisition of additional interest of subsidiary	-	-	-	-	-	(4,928)	(4,928)	(13,400)	(18,328)
As at 30 June 2016	<u>40,000</u>	<u>5,593</u>	<u>(1,843)</u>	<u>13,738</u>	<u>1,984</u>	<u>12,720</u>	<u>72,192</u>	<u>-</u>	<u>72,192</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and accompanying explanatory notes attached to the interim financial statements.

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A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134**A1. Basis of Preparation****Statement of compliance**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 2015. 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 2015.

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 2015.
- (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 Interpretations	Effective for financial periods beginning on or after
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 107 Disclosure Initiatives	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

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A2. Seasonality or Cyclicity Factors

The Group's operations experience certain seasonality or cyclicity that is common in the industry of which the Group operates in.

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 except those that are disclosed in B16.

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

The Group is organised into the two main geographical segments and operating in manufacturing of plastic moulded products and components. The segmental information has been presented as follows:

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

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 June 2016				
Revenue				
- Sales to external customer	32,922	5,290	-	38,212
- Inter-segment sales	1,268	-	(1,268)	-
Total revenue	<u>34,190</u>	<u>5,290</u>	<u>(1,268)</u>	<u>38,212</u>
Segment results	<u>8,014</u>	<u>(305)</u>	<u>(3,812)</u>	<u>3,897</u>
Finance costs				(413)
Profit before tax				<u><u>3,484</u></u>

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

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2016				
Revenue				
- Sales to external customer	33,155	4,994	-	38,149
- Inter-segment sales	945	-	(945)	-
Total revenue	<u>34,100</u>	<u>4,994</u>	<u>(945)</u>	<u>38,149</u>
Segment results	<u>6,327</u>	<u>(1,641)</u>	<u>(1,837)</u>	<u>2,849</u>
Finance costs				(224)
Profit before tax				<u><u>2,625</u></u>

Preceding Year Corresponding Quarter

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 June 2015				
Revenue				
- Sales to external customer	31,012	5,214	-	36,226
- Inter-segment sales	676	-	(676)	-
Total revenue	<u>31,688</u>	<u>5,214</u>	<u>(676)</u>	<u>36,226</u>
Segment results	<u>4,060</u>	<u>285</u>	<u>126</u>	<u>4,471</u>
Finance costs				(246)
Profit before tax				<u><u>4,225</u></u>

(b) By Industry Segment

Industrial segmental information is not applicable.

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 other than as follows:

- a. Proposed acquisition of 70% equity capital in Capital of Demand Options Sdn Bhd for a total consideration of RM13 million.
- b. Proposed acquisition of a double storey detached warehouse for a consideration of RM9.5 million.

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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 30 June 2016 other than as follows:

- a. The Group have acquired the remaining 25% equity interest in Polyplas Sdn. Bhd. for a consideration of RM18.3 million which resulted in decrease of Non-Controlling Interest of RM13.4 million and retained earnings of RM4.9 million.

In accordance to MFRS10 Paragraph 23, the acquisition is treated as a treasury transactions and accounted for in equity. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the parent.

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 except for the company provided corporate guarantee of RM33.12 million to subsidiary companies and RM15.08 million was utilised as at 30 June 2016.

A11. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements are as follows:

	30 June 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	<u>3,256</u>	<u>2,745</u>
Approved but not contracted for:		
Purchase of property, plant and equipment	<u>629</u>	<u>335</u>

A12. Related Party Transactions

Significant transactions between the Company and related parties are as follows:

	Individual quarter ended		Cumulative quarter ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Transaction with Fellow subsidiary:				
Purchase of components	16	65	22	65
Transport charges	25	31	46	31
Sales of plastics parts	24	74	90	74
Rental of premises	<u>164</u>	-	<u>292</u>	-

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1. Review of Group's Results for the Quarter Ended 30 June 2016**

The Group posted an improvement in revenue of RM1.99m or 5% for the 2nd quarter of FY2016 as compared to the corresponding quarter in the preceding year. The improved performance was mainly attributable by the higher sales from the Malaysia operations for the quarter under review.

The profit before tax and profit after tax for the current quarter recorded the decrease of 18% or RM0.74m and 24% or RM0.67m respectively as compared to the corresponding quarter in FY2015.

While there has been an overall increase in revenue but decrease in profitability, was mainly due to the Vietnam operations had been impacted by lower production volumes and higher cost.

B2. Variation of Results Against Preceding Quarter

Against the preceding quarter, the Group's revenue increase by RM0.06m from RM38.15m the preceding quarter to RM38.21m. Profit before tax recorded an increase of 33% or RM0.86m for the quarter as compared to the preceding quarter. The profit after tax for the quarter was RM2.15m, representing a growth of 47% as compared to RM1.46m in the immediate preceding quarter. This was mainly attributed by a higher seasonally production volumes commencing this period.

Nevertheless, the quarter's result had also been impacted by professional fees, finance expenses and other expenses relating to the (a) corporate activities undertaken by the group namely, the acquisition of the remaining 25% in Polyplas Sdn Bhd and the proposed acquisition of 70% in Demand Options Sdn Bhd (b) other business development activities, resulting in slightly higher operating expenses in the quarter.

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B3. Prospects of the Group

The Management is looking forward to the seasonally busy period in the 2nd half of the year, especially in the 3rd quarter, and is expecting that production volumes will pick up for the rest of the year.

Over the longer term, the Management is generally cautious about the overall production volumes across the Group. On the news of the several multi-national customers (or their associate or related companies) who have announced their intention to close their Malaysian operations, the Management has been closely assessing and monitoring the situation, and has stepped up efforts and pre-empting to mitigate these risk by initiating business development activities as highlighted below. Furthermore, cost inflation in both Malaysia and Vietnam, for example, the minimum wages increase effective 1 July 2016 in Malaysia, will also have some impact on the profitability of the Group.

Notwithstanding, the Group is still committed to become a more comprehensive component manufacturing group and, has planned and implemented further investments or capital expenditures in capacities and/or machineries. As part of this plan, several initiatives were implemented including, but not limited to the following:

- (i) the Group has entered into share sales agreement on 28 June 2016 to acquire 70% equity interest in Demand Options Sdn Bhd (“DOSB”)
- (ii) the Group via its subsidiary Ge-Shen Plastic (M) Sdn Bhd had on 19 July 2016 entered into a sale and purchase agreement to acquire a property to further increase its manufacturing and warehousing capacities.

The earlier estimated CAPEX for FY2016 was RM20m, but has now been revised to RM37.1m with the inclusion of the above mentioned property and other planned changes. The total spent-to-date as of 30 June 2016 is RM7.1m. The CAPEX is expected to be financed via internally generated cash flow and bank financing.

On the other hand, the Group continues to look at new technology and automation in improving capital intensity. This would improve the Group’s engineering service capabilities as well as production efficiencies and productivity. Furthermore, the Management is looking at further methods to continue improving its capital structure as well as further integration between the subsidiaries of the Group, especially now with the planned acquisition of DOSB.

These initiatives, done in conjunction with the business development activities and marketing efforts of the Group, are expected to contribute to the increase in production volumes in the near future.

Macro-economically, conditions are expected to remain challenging. While the Brexit vote has no direct impact on the Group, globally there has been substantial increase in economic, political, and institutional uncertainties which may impact consumer spending. In Malaysia, the reduction in Overnight Policy Rate (“OPR”) is expected to be favourable to Ge-Shen’s capital spending activities. The stability of the USD against the MYR will also impact on the profitability of the Group in the future.

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	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
In respect of the current period:				
Income tax	1,265	1,263	2,378	1,773
Deferred tax	67	141	118	211
	<u>1,332</u>	<u>1,404</u>	<u>2,496</u>	<u>1,984</u>
In respect of the prior year:				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
Tax expense	<u>1,332</u>	<u>1,404</u>	<u>2,496</u>	<u>1,984</u>

The Group's consolidated effective tax rate for the current quarter was higher than the Malaysian statutory tax rate of 24% because of losses recorded mainly from foreign operation.

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

The following are the corporate proposals that have been announced by the Company which are not yet completed as at 5 August 2016, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report:

- (a) Proposed establishment and implementation of an Employees' Share Option Scheme ("ESOS") for the eligible employees and eligible Executive Directors of Ge-Shen and its subsidiaries (excluding subsidiaries which are dormant).

The Proposed ESOS were approved by shareholders at the EGM held on 12 May 2016 and expected to be implemented in the second half of 2016.

- (b) Proposed acquisition of 70% equity capital in Capital of Demand Options Sdn Bhd ("CDOSB") for a total consideration of RM13 million.

The Proposed Acquisition of CDOSB is expected to be completed during the third quarter of 2016.

- (c) Proposed acquisition of a double storey detached warehouse for a consideration of RM9.5 million.

The Proposed Acquisition are expected to be completed during the fourth quarter of 2016.

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B10. Borrowings (Secured)

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

	30 June 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000
Short Term Borrowings		
Bankers' acceptance	5,183	5,490
Bank overdrafts	2,663	921
Hire purchase payables	2,054	1,675
Term loans	193	175
	<u>10,093</u>	<u>8,261</u>
Long Term Borrowings		
Hire purchase payables	3,101	2,220
Term loans	19,705	1,874
	<u>22,806</u>	<u>4,094</u>
	<u>32,899</u>	<u>12,355</u>

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 30 June 2016.

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

	Individual quarter ended		Cumulative quarter ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Profit attributable to ordinary shareholders (RM'000)	1,848	2,305	2,904	3,472
Weighted average number of shares in issue ('000)*	76,908	76,908	76,908	76,908
Basic EPS (Sen)	2.40	2.99	3.78	4.51

Diluted EPS

	Individual quarter ended		Cumulative quarter ended	
	30 June 2016	30 June 2016	30 June 2016	30 June 2015
Profit attributable to ordinary shareholders (RM'000)	1,848	2,305	2,904	3,472
Impact of assumed conversion, interest on RCPS	65	59	136	59
	1,913	2,364	3,040	3,531
Weighted average number of shares in issue (RM'000)*	76,908	76,908	76,908	76,908
Weighted average number of new ordinary shares, assumption on conversion of the remaining RCPS ('000)	30,000	25,385	30,000	25,385
	106,908	102,293	106,908	102,293
Diluted EPS (Sen)	1.79	2.31	2.84	3.45

Note:

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

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B15. Audit Report

The auditors' report of the company for the financial year ended 31 December 2015 was not subject to any qualification.

B16. Notes to the Statement of Comprehensive Income

	Individual quarter ended		Cumulative quarter ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Profit before taxation is arrived at after crediting:				
Interest income	25	19	47	61
Gain on disposal of property, plant and equipment	-	-	2	-
Gain on foreign exchange				
- Realised	604	(56)	1,103	490
- Unrealised	201	551	(811)	1,001
and charging:				
Interest expense	441	208	637	292
Property, plant and Equipment written off	-	65	-	65
Loss on foreign exchange				
- Realised	120	211	1,653	212
- Unrealised	-	2	5	8

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.

GE-SHEN CORPORATION BERHAD
Company No. 633814-X
(Incorporated in Malaysia)

B17. Breakdown of Retained Profits

	30 June 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000
Total realised profits of Ge-Shen Corporation Berhad and its subsidiaries	8,566	7,144
Total unrealised profit of Ge-Shen Corporation Berhad and its subsidiaries	4,154	7,600
Total retained profits	12,720	14,744