

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

Third Quarter Results
Period ended
30 September 2016

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Quarter</u>	<u>Preceding Year Corresponding Quarter</u>
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Revenue	54,050	45,119	130,410	99,075
Other income	583	5,809	932	7,360
Changes in inventories of finished goods and work-in-progress	2,022	2,244	880	2,690
Raw materials used	(21,618)	(20,166)	(56,175)	(43,942)
Employee benefits	(12,212)	(9,552)	(28,824)	(21,489)
Depreciation of property, plant and machinery	(1,971)	(1,698)	(5,250)	(4,562)
Other operating expenses	(11,459)	(9,384)	(25,833)	(20,443)
Finance costs	(646)	(275)	(1,284)	(620)
	-----	-----	-----	-----
Profit before tax	8,749	12,097	14,856	18,069
Tax expenses (Note B6)	(2,672)	(3,388)	(5,168)	(5,372)
	-----	-----	-----	-----
Profit for the period	6,077	8,709	9,688	12,697
Other Comprehensive Income				
Exchange differences on Translating foreign operations	178	1,407	(276)	2,040
	-----	-----	-----	-----
Total Comprehensive Income For the period	6,255	10,116	9,412	14,737
	=====	=====	=====	=====
Profit after tax attributable to:				
Owners of the Company	5,554	7,386	8,456	10,858
Non-Controlling Interest	523	1,323	1,232	1,839
	-----	-----	-----	-----
	6,077	8,709	9,688	12,697
	=====	=====	=====	=====
Total Comprehensive Income attributable to:				
Owners of the Company	5,732	8,793	8,180	12,898
Non-Controlling Interest	523	1,323	1,232	1,839
	-----	-----	-----	-----
	6,255	10,116	9,412	14,737
	=====	=====	=====	=====

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 – CONTINUED**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Quarter</u>	<u>Preceding Year Corresponding Quarter</u>
	<u>30 Sep 2016</u>	<u>30 Sep 2015</u>	<u>30 Sep 2016</u>	<u>30 Sep 2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Earnings per share (Sen)				
Basic (Note B14)	7.22	9.60	10.99	14.12
	=====	=====	=====	=====
Diluted (Note B14)	5.24	6.96	8.05	11.52
	=====	=====	=====	=====

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 BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	<u>Unaudited</u> 30 Sep 2016 RM'000	<u>Audited</u> 31 Dec 2015 RM'000
ASSETS		
Non-Current Assets		
Investment in associates	867	-
Property, plant and equipment	63,231	44,554
Goodwill on consolidation	31,195	28,726
	-----	-----
	95,293	73,280
	-----	-----
Current Assets		
Inventories	23,913	16,473
Trade receivables	37,924	24,139
Other receivables, deposits and prepayments	2,860	2,112
Tax recoverable	639	483
Fixed deposits with licensed banks	2,213	2,241
Cash and bank balances	14,718	17,843
	-----	-----
	82,267	63,291
	-----	-----
Total Assets	177,560	136,571
	=====	=====
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 shares	13,738	13,738
Foreign exchange translation reserves	2,163	2,439
Retained earnings	18,272	14,744
	-----	-----
Total Equity Attributable to Owners of the Company	77,923	74,671
Non-controlling interest	5,072	13,566
	-----	-----
	82,995	88,237
	-----	-----
Non-Current Liabilities		
Long term borrowings (Note B10)	22,575	4,094
Redeemable convertible preference shares	3,274	3,568
Deferred taxation	4,642	3,220
	-----	-----
	30,491	10,882
	-----	-----

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016 – CONTINUED**

	<u>UNAUDITED</u> 30 Sep 2016 RM'000	<u>AUDITED</u> 31 Dec 2015 RM'000
Current Liabilities		
Trade payables	27,241	17,460
Other payables and accruals	19,017	9,493
Short-term borrowings (Note B10)	16,187	8,261
Tax payables	1,629	2,238
	-----	-----
	64,074	37,452
	-----	-----
Total Liabilities	94,565	48,334
	-----	-----
Total Equity and Liabilities	177,560	136,571
	=====	=====
Net Assets per Ordinary Share		
Attributable to Owners of the Company (RM)	1.01	0.97
	=====	=====

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 THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	Current Year to Date 30 Sep 2016 RM'000	Preceding Year Corresponding Period 30 Sep 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,856	18,069
Adjustments for:		
Depreciation of property, plant and equipment	5,250	4,563
Property, plant and equipment written off	-	65
Loss on disposal of property, plant and equipment	8	68
Interest expense	1,284	538
Loss/(Gain) on foreign exchange – unrealised	37	(3,595)
Reversal of impairment loss on receivables	-	(2,128)
Interest income	(78)	(96)
	-----	-----
Operating profit before working capital changes	21,357	17,484
Decrease/(Increase) in inventories	47	(3,406)
Increase in trade and other receivables	(5,005)	(7,820)
Increase in trade and other payables	14,066	10,411
	-----	-----
CASH FLOWS FROM OPERATIONS	30,465	16,669
Interest paid	(1,578)	(383)
Tax paid	(6,469)	(4,555)
Tax refund	129	-
	-----	-----
NET CASH FROM OPERATING ACTIVITIES	22,547	11,731
	-----	-----
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	78	96
Purchase of interest in a subsidiary	(18,329)	(33,042)
Acquisition of subsidiary, net of cash and cash equivalents acquired	(13,071)	-
Purchase of property, plant and equipment	(8,167)	(4,181)
Proceeds from disposal of property, plant and equipment	7	-
	-----	-----
NET CASH FOR INVESTING ACTIVITIES	(39,482)	(37,127)
	-----	-----

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 – CONTINUED**

	Current Year to Date 30 Sep 2016 RM'000	Preceding Year Corresponding Period 30 Sep 2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of other short-term bank borrowings	803	340
Drawdown of redeemable convertible preference share	-	18,000
Changes in pledges fixed deposits	(44)	(51)
Repayment of hire purchase obligations	(994)	(727)
Drawdown/(Repayment) of term loans	10,602	(5)
Dividend paid to non-controlling interest	(875)	-
	-----	-----
NET CASH FROM FINANCING ACTIVITIES	9,492	17,557
	-----	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,443)	(7,839)
EFFECT OF CHANGES IN EXCHANGE RATES	18	3,386
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	17,564	16,707
	-----	-----
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	10,139	12,254
	=====	=====

Cash and cash equivalents included in the cash flows statement comprise of the followings:

	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Fixed deposits with licensed banks	2,213	1,939
Cash and bank balances	14,718	12,257
Bank overdrafts	(5,150)	(3)
Less: Fixed deposits pledged to licensed banks	(1,642)	(1,939)
	-----	-----
	10,139	12,254
	=====	=====

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 BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

	<-----Non-Distributable----->					Distributable		Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Redeemable Convertible Preference Share RM'000	Foreign Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total Attributable to Owners of the Company RM'000		
As at 1 January 2015	40,000	5,593	(1,843)	-	762	2,052	46,564	-	46,564
Profit for the period	-	-	-	-	-	10,858	10,858	1,839	12,697
Other comprehensive income:									
- Foreign currency translation differences	-	-	-	-	2,040	-	2,040	-	2,040
- 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 September 2015	40,000	5,593	(1,843)	13,738	2,802	12,910	73,200	5,472	78,672
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	-	-	-	-	-	8,456	8,456	1,232	9,688
Other comprehensive income:									
- Dividends to non-controlling interest	-	-	-	-	-	-	-	(875)	(875)
- Foreign currency translation differences	-	-	-	-	(276)	-	(276)	-	(276)
Contribution by non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	4,549	4,549
Arising from acquisition of additional interest of a subsidiary	-	-	-	-	-	(4,928)	(4,928)	(13,400)	(18,328)
As at 30 September 2016	40,000	5,593	(1,843)	13,738	2,163	18,272	77,923	5,072	82,995

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
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018

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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 Sep 2016				
Revenue				
- sales to external parties	47,892	6,158	-	54,050
- inter-segment sales	30	-	(30)	-

Total revenue	47,922	6,158	(30)	54,050
	=====			
Segment results	9,895	(468)	(32)	9,395

Finance costs				(646)

Profit before taxation				8,749
				=====

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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 30 Jun 2016				
Revenue				
- sales to external parties	32,922	5,290	-	38,212
- inter-segment sales	1,268	-	(1,268)	-
	<hr style="border-top: 1px dashed black;"/>			
Total revenue	34,190	5,290	(1,268)	38,212
	<hr style="border-top: 1px dashed black;"/>			
Segment results	8,014	(305)	(3,812)	3,897
	<hr style="border-top: 1px dashed black;"/>			
Finance costs				(413)
	<hr style="border-top: 1px dashed black;"/>			
Profit before taxation				3,484
	<hr style="border-top: 1px dashed black;"/>			<hr style="border-top: 1px dashed black;"/>

Preceding Year Corresponding Quarter

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 Sep 2015				
Revenue				
- sales to external parties	39,241	5,878	-	45,119
- inter-segment sales	1,151	-	(1,151)	-
	<hr style="border-top: 1px dashed black;"/>			
Total revenue	40,392	5,878	(1,151)	45,119
	<hr style="border-top: 1px dashed black;"/>			
Segment results	11,550	988	(166)	12,372
	<hr style="border-top: 1px dashed black;"/>			
Finance costs				(275)
	<hr style="border-top: 1px dashed black;"/>			
Profit before taxation				12,097
	<hr style="border-top: 1px dashed black;"/>			<hr style="border-top: 1px dashed black;"/>

(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 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 September 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.

- (b) The Group have acquired 70% equity interest in Demand Options Sdn. Bhd. ("DOSB") for a total consideration of RM13 million.

The fair value of the identifiable net assets of DOSB at the date of acquisition were:-

	RM'000
Fair value of identifiable net assets acquired	15,081
Less: Non-controlling interests	(4,549)
Add: Goodwill on acquisition	2,468

Total purchase consideration	13,000
Cash and cash equivalents acquired	71

Net cash outflow for acquisition of a subsidiary	13,071
	=====

The acquired subsidiary has contributed the following results to the Group:-

	RM'000
Revenue	7,369
Profit after taxation	1,743
	=====

If the acquisition had taken place at the beginning of the financial period, the Group's revenue and profit after taxation from continuing operations would have been RM151.03 million and RM10.35 million respectively.

GE-SHEN CORPORATION BERHAD

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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 RM43.62 million to subsidiary companies and RM21.94 million was utilised as at 30 September 2016.

A11. Capital Commitments

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

	<u>Unaudited</u> 30 Sep 2016 RM'000	<u>Audited</u> 31 Dec 2015 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	12,357	2,745
	=====	=====
Approved but not contracted for:		
Purchase of property, plant and equipment	-	335
	=====	=====

A12. Related Party Transactions

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

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Transaction with related parties:				
Purchase of components	487	19	509	84
Transport charges	23	38	69	69
Sales of goods	292	111	382	185
Rental of premises	169	-	461	-
	=====	=====	=====	=====

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Group's Results for the Quarter Ended 30 September 2016

For the period ended 30 September 2016, the group recorded a revenue of RM54.1 million, 20% increase as compared to the RM45.1 million reported in the corresponding period last year. The higher revenue was contributed from the newly acquired subsidiary as disclosed in Note A9 and sales improvement in Malaysia segment.

The Group reported a net profit of RM6.1 million for the current period as compared to a net profit of RM8.7 million in the corresponding period last year. The overall decrease in the profit was due to the significant appreciation of USD against MYR in the corresponding period last year. Meanwhile, the Vietnam operations on the contrary had been impact by higher operational costs.

B2. Variation of Results Against Preceding Quarter

Against the preceding quarter, the Group's revenue has increased by RM15.84 million from RM38.21 million in the preceding quarter to RM54.05 million this quarter. The increase in revenue was due to seasonally higher sales volume and contribution from the newly acquired subsidiary as disclosed in Note A9.

The group has recorded a significant increase in profit before tax to RM8.75 million for the current period from RM3.48 million in the immediate preceding quarter. Such increase is also due to contribution from the newly acquired subsidiary as disclosed in Note A9 and effective cost management.

B3. Prospects of the Group

While the outlook for domestic and world markets remains challenging, the Group continues to advance its business development activities and is continuously trying to grow its revenues from existing and new customers. To this end, the Group is undertaking capital expenditure ("CAPEX") to increase its manufacturing capacity and capabilities across all subsidiaries in the group. As of the financial period ended 30 September 2016, a total of RM11.2 million has been deployed for CAPEX, out of the estimated RM44.5 million planned for the near future. Part of this CAPEX plan will be rolled over into 2017 and it is expected that this CAPEX drive will continue in 2017 and this will benefit the Group's overall prospects.

On the back of difficult operating environment in Vietnam, the Management is looking at various methods to improve operational performance. This includes looking at the possibility of reducing rental cost by entering into long-term lease contract in a new facility. The Management believes that this will provide a much stronger foundation for the Vietnam operations and expects a turnaround in financial performance in the near future.

The Group is also working towards a culture of embracing technology, including the implementation of better enterprise resource planning system and manufacturing execution systems. This will improve data capture, allowing for analytics which will provide insight into improving overall efficiencies and productivity.

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B4. Profit Forecast

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

B5. Explanation Note on Profit Forecast

Not Applicable.

B6. Tax Expense

Tax expense comprises of the followings:

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2016</u> <u>RM'000</u>	<u>30 Sep</u> <u>2015</u> <u>RM'000</u>	<u>30 Sep</u> <u>2016</u> <u>RM'000</u>	<u>30 Sep</u> <u>2015</u> <u>RM'000</u>
In respect of the current period:				
Income tax	2,537	3,180	4,918	4,953
Deferred tax	135	259	250	470
	-----	-----	-----	-----
	2,672	3,439	5,168	5,423
In respect of the prior year:				
Income tax	-	(51)	-	(51)
Deferred tax	-	-	-	-
	-----	-----	-----	-----
Tax expense	2,672	3,388	5,168	5,372
	=====	=====	=====	=====

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 4 November 2016, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report:

- (a) 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:

	<u>Unaudited</u> 30 Sep 2016 RM'000	<u>Audited</u> 31 Dec 2015 RM'000
Short term borrowings:		
Bankers' acceptance	8,451	5,490
Bank overdraft	5,150	921
Hire purchase payables	1,745	1,675
Term loans	841	175
	-----	-----
	16,187	8,261
	=====	=====
Long term borrowings:		
Hire purchase payables	3,742	2,220
Term loans	18,833	1,874
	-----	-----
	22,575	4,094
	-----	-----
	38,762	12,355
	=====	=====

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 September 2016.

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**B14. Earnings per Share (EPS)****Basic earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep 2016</u>	<u>30 Sep 2015</u>	<u>30 Sep 2016</u>	<u>30 Sep 2015</u>
Profit attributable to ordinary shareholders (RM'000)	5,554	7,386	8,456	10,858
Weighted average number of shares in issue ('000)*	76,908	76,908	76,908	76,908
Basic EPS (Sen)	7.22	9.60	10.99	14.12
	=====	=====	=====	=====

Diluted earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep 2016</u>	<u>30 Sep 2015</u>	<u>30 Sep 2016</u>	<u>30 Sep 2015</u>
Profit attributable to ordinary shareholders (RM'000)	5,554	7,386	8,456	10,858
Impact of assumed conversion, interest on RCPS (RM'000)	48	58	150	117
	-----	-----	-----	-----
	5,602	7,444	8,606	10,975
	=====	=====	=====	=====
Weighted average number Of shares in issue ('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	30,000	30,000	18,352
	-----	-----	-----	-----
	106,908	106,908	106,908	95,260
	=====	=====	=====	=====
Diluted EPS (Sen)	5.24	6.96	8.05	11.52
	=====	=====	=====	=====

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

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2016</u> <u>RM'000</u>	<u>30 Sep</u> <u>2015</u> <u>RM'000</u>	<u>30 Sep</u> <u>2016</u> <u>RM'000</u>	<u>30 Sep</u> <u>2015</u> <u>RM'000</u>
Profit before taxation is arrived at after crediting:				
Interest income	31	35	78	96
Gain on foreign exchange				
- realised	400	2,755	-	3,245
- unrealised	779	3,019	-	4,020
and charging:				
Interest expense	646	247	1,284	538
Depreciation of property, plant and equipment	1,971	1,698	5,250	4,563
Plant and equipment written off	-	-	-	65
Loss on disposal of property, plant and equipment	5	38	8	68
Loss on foreign exchange				
- realised	-	1,610	149	1,822
- unrealised	-	417	37	425
	=====	=====	=====	=====

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.

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B17. Breakdown of Retained Profits

	<u>Unaudited</u> 30 Sep 2016 RM'000	<u>Audited</u> 31 Dec 2015 RM'000
Total retained profits:		
- realised	13,667	7,144
- unrealised	4,605	7,600
	----- 18,272 =====	----- 14,744 =====