

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

Third Quarter Results
Period ended
30 September 2017

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

	<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 2017 RM'000	30 Sep 2016 RM'000	30 Sep 2017 RM'000	30 Sep 2016 RM'000
Revenue	61,168	54,050	169,401	130,410
Other income	(115)	583	396	932
Changes in inventories of finished goods and work-in-progress	(677)	2,022	1,559	880
Raw materials used	(28,685)	(21,618)	(75,467)	(56,175)
Employee benefits	(14,155)	(12,212)	(40,378)	(28,824)
Depreciation of property, plant and machinery	(2,368)	(1,971)	(6,943)	(5,250)
Other operating expenses	(10,597)	(11,459)	(31,612)	(25,833)
Finance costs	(723)	(646)	(2,303)	(1,284)
Profit before tax	3,848	8,749	14,653	14,856
Tax expenses (Note B6)	(1,150)	(2,672)	(4,447)	(5,168)
Profit for the period	2,698	6,077	10,206	9,688
Other Comprehensive Income				
Exchange differences on Translating foreign operations	(63)	178	(327)	(276)
Total Comprehensive Income For the period	2,635	6,255	9,879	9,412
Profit after tax attributable to:				
Owners of the Company	2,598	5,554	9,794	8,456
Non-Controlling Interest	100	523	412	1,232
	2,698	6,077	10,206	9,688
Total Comprehensive Income attributable to:				
Owners of the Company	2,535	5,732	9,467	8,180
Non-Controlling Interest	100	523	412	1,232
	2,635	6,255	9,879	9,412

GE-SHEN CORPORATION BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 – CONTINUED**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u> <u>Quarter</u>	<u>Preceding</u> <u>Year</u> <u>Corresponding</u> <u>Quarter</u>	<u>Current</u> <u>Quarter</u>	<u>Preceding</u> <u>Year</u> <u>Corresponding</u> <u>Quarter</u>
	30 Sep 2017 RM'000	30 Sep 2016 RM'000	30 Sep 2017 RM'000	30 Sep 2016 RM'000
Earnings per share (Sen)				
Basic (Note B14)	3.38	7.22	12.09	10.99
	=====	=====	=====	=====
Diluted (Note B14)	2.47	5.24	9.27	8.05
	=====	=====	=====	=====

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017**

	<u>Unaudited</u> 30 Sep 2017 RM'000	<u>Audited</u> 31 Dec 2016 RM'000
ASSETS		
Non-Current Assets		
Investment in associates	1,013	981
Property, plant and equipment	82,664	78,586
Prepaid lease payments	3,639	3,915
Goodwill on consolidation	31,195	31,195
	-----	-----
	118,511	114,677
	-----	-----
Current Assets		
Inventories	27,419	23,380
Trade receivables	49,441	44,670
Other receivables, deposits and prepayments	3,959	4,699
Current tax assets	1,597	744
Fixed deposits with licensed banks	2,783	2,798
Cash and bank balances	12,933	11,388
	-----	-----
	98,132	87,679
	-----	-----
Total Assets	216,643	202,356
	=====	=====
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Share premium	5,593	5,593
Treasury shares	(1,843)	(1,843)
Share option reserves	1,480	-
Redeemable convertible preference shares	13,738	13,738
Foreign exchange translation reserves	2,289	2,616
Retained earnings	34,841	25,047
	-----	-----
Total Equity Attributable to Owners of the Company	96,098	85,151
Non-controlling interest	5,937	5,585
	-----	-----
	102,035	90,736
	-----	-----
Non-Current Liabilities		
Long term borrowings (Note B10)	39,186	31,761
Redeemable convertible preference shares	2,004	2,836
Deferred taxation	3,801	3,821
Other payable	-	56
	-----	-----
	44,991	38,474
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GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017 – CONTINUED**

	<u>UNAUDITED</u> 30 Sep 2017 RM'000	<u>AUDITED</u> 31 Dec 2016 RM'000
Current Liabilities		
Trade payables	27,369	27,011
Other payables and accruals	15,709	21,038
Short-term borrowings (Note B10)	21,229	16,429
Bank overdraft	2,354	7,085
Current tax liabilities	2,956	1,583
	-----	-----
	69,617	73,146
	-----	-----
Total Liabilities	114,608	111,620
	-----	-----
Total Equity and Liabilities	216,643	202,356
	=====	=====
Net Assets per Ordinary Share		
Attributable to Owners of the Company (RM)	1.25	1.11
	=====	=====

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017**

	Current Year to Date 30 Sep 2017 RM'000	Preceding Year Corresponding Period 30 Sep 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,653	14,856
Adjustments for:		
Depreciation of property, plant and equipment	6,943	5,250
Impairment of prepaid lease payment	275	-
Interest expense	2,303	1,284
Loss on foreign exchange – unrealised	1,565	37
Employee benefits expense	1,480	-
(Gain)/Loss on disposal of property, plant and equipment	(22)	8
Interest income	(110)	(78)
Share of results of an associate	(33)	-
	-----	-----
Operating profit before working capital changes	27,054	21,357
(Increase)/Decrease in inventories	(4,039)	47
Increase in trade and other receivables	(5,357)	(5,005)
(Decrease)/Increase in trade and other payables	(5,972)	14,066
	-----	-----
CASH FLOWS FROM OPERATIONS	11,686	30,465
Interest paid	(2,303)	(1,578)
Tax paid	(4,402)	(6,469)
Tax refund	454	129
	-----	-----
NET CASH FROM OPERATING ACTIVITIES	5,435	22,547
	-----	-----
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	110	78
Purchase of interest in a subsidiary	-	(18,329)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(13,071)
Purchase of property, plant and equipment	(4,991)	(8,167)
Proceeds from disposal of property, plant and equipment	170	7
	-----	-----
NET CASH FOR INVESTING ACTIVITIES	(4,711)	(39,482)
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 – CONTINUED**

	Current Year to Date 30 Sep 2017 RM'000	Preceding Year Corresponding Period 30 Sep 2016 RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Changes in pledges fixed deposits	(55)	(44)
Dividend paid to non-controlling interest	(60)	(875)
Drawdown of term loans	4,443	10,602
Net drawdown of other short-term bank borrowings	3,761	803
Repayment of hire purchase obligations	(2,324)	(994)
	-----	-----
NET CASH FROM FINANCING ACTIVITIES	5,765	9,492
	-----	-----
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,489	(7,443)
EFFECT OF CHANGES IN EXCHANGE RATES	(283)	18
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	5,458	17,564
	-----	-----
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	11,664	10,139
	=====	=====

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

	30 Sep 2017 RM'000	30 Sep 2016 RM'000
Fixed deposits with licensed banks	12,933	2,213
Cash and bank balances	2,783	14,718
Bank overdrafts	(2,354)	(5,150)
Less: Fixed deposits pledged to licensed banks	(1,698)	(1,642)
	-----	-----
	11,664	10,139
	=====	=====

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

	<-----Non-Distributable----->						Distributable		Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Shares Option Reserve 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 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:										
- Foreign currency translation differences	-	-	-	-	-	(276)	-	(276)	-	(276)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	(875)	(875)
Contribution by non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	-	4,549	4,549
Arising from acquisition of additional interest of 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
As at 1 January 2017	40,000	5,593	(1,843)	-	13,738	2,616	25,047	85,151	5,585	90,736
Profit for the period	-	-	-	-	-	-	9,794	9,794	412	10,206
Other comprehensive income:										
- Foreign currency translation differences	-	-	-	-	-	(327)	-	(327)	-	(327)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	(60)	(60)
Employees' share option reserve	-	-	-	1,480	-	-	-	1,480	-	1,480
As at 30 September 2017	40,000	5,593	(1,843)	1,480	13,738	2,289	34,841	96,098	5,937	102,035

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2016. 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 2016.

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 2016.
- (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
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	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 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 140 – Transfers of Investment Property	1 January 2018

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A1. Basis of Preparation – continued

Significant accounting policies – continued

MFRSs and Interpretations	Effective for financial periods beginning on or after
Annual Improvements to MFRS Standards 2014 – 2017 Cycles: <ul style="list-style-type: none">• Amendments to MFRS 1: Deletion of Short-term Exemptions for Third-time Adopters• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
<p>* <i>Entities that meet the specific criteria in MFRS 4.20B may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.</i></p>	

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

A preference dividend of 1.65 sen per RPCS paid during the quarter under review in respect of the financial period from 1 January 2017 to 30 June 2017.

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A7. Segmental Reporting

The Group is organised into the two main geographical segments and operating in manufacturing of plastic moulded products, metal stamping 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 2017				
Revenue				
- sales to external parties	54,196	6,972	-	61,168
- inter-segment sales	14	-	(14)	-
	<hr/>			
Total revenue	54,210	6,972	(14)	61,168
	<hr/>			
Segment results	5,253	(667)	(15)	4,571
	<hr/>			
Finance costs				(723)
	<hr/>			
Profit before taxation				3,848
	<hr/>			

Preceding Quarter

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 Jun 2017				
Revenue				
- sales to external parties	53,744	6,617	-	60,361
- inter-segment sales	14	-	(14)	-
	<hr/>			
Total revenue	53,758	6,617	(14)	60,361
	<hr/>			
Segment results	7,319	(511)	(15)	6,793
	<hr/>			
Finance costs				(813)
	<hr/>			
Profit before taxation				5,980
	<hr/>			

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A7. Segmental Reporting – continued**(a) By Geographical Segment – continued****Preceding Year Corresponding 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
				=====

(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.

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 2017.

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 RM75.1 million to subsidiary companies and RM47.0 million was utilised as at 30 September 2017.

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A11. Capital Commitments

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

	Unaudited 30 Sep 2017 RM'000	Audited 31 Dec 2016 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	8,107	203
	=====	=====
Approved but not contracted for:		
Purchase of property, plant and equipment	3,371	1,022
	=====	=====

A12. Related Party Transactions

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

	Individual Quarter ended		Cumulative Quarter ended	
	30 Sep 2017 RM'000	30 Sep 2016 RM'000	30 Sep 2017 RM'000	30 Sep 2016 RM'000
Transaction with related parties:				
Purchase of components	601	487	1,442	509
Transport charges	20	23	61	69
Rental of premises	192	169	554	461
Technical fee	72	-	105	-
Sales of goods	506	292	1,551	382
	=====	=====	=====	=====

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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 2017**

	Individual Quarter			Cumulative Quarter		
	Current Quarter	Preceding Year Corresponding Quarter	Changes %	Current Quarter	Preceding Year Corresponding Quarter	Changes %
	30 Sep 2017	30 Sep 2016		30 Sep 2017	30 Sep 2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	61,168	54,049	13.2	169,401	130,410	29.9
Operating Profit	4,543	9,394	(51.6)	16,923	16,140	4.9
Profit Before Interest and Tax	4,571	9,394	(51.3)	16,956	16,140	5.1
Profit Before Tax	3,848	8,747	(56.0)	14,653	14,856	(1.4)
Profit After Tax	2,698	6,075	(55.6)	10,206	9,688	5.3
Profit Attributable to Owners of the Company	2,598	5,552	(53.2)	9,794	8,456	15.8

i) Quarter Ended 30 September 2017 compared to Quarter Ended 30 September 2016

For the current quarter, the Group recorded higher revenue but lower profit before tax of RM61.17 million and RM3.85 million respectively as compared to the revenue and profit before tax of RM54.05 million and RM8.75 million respectively for the corresponding quarter of the preceding financial year.

The higher revenue was mainly contributed by several factors, includes the newly acquired subsidiary, Demand Option Sdn. Bhd. ("DOSB") which completed on August 2016. For the current quarter, the Group consolidated the full quarter of 3 months revenue of the newly acquired subsidiary as compared to 2 months revenue in corresponding quarter of the preceding financial year. The higher revenue was also driven by increase in sales demand from existing and new customers. Sales was also slightly below expectations due to the re-scheduling of certain parts by key customers.

However, the profit before tax have decreased by 56% mainly due to higher raw material costs arising from different product mix. Furthermore, the Group recorded foreign exchange loss in the current quarter as compared to foreign exchange gain in corresponding quarter of the preceding financial year.

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B1. Review of Group's Results for the Quarter Ended 30 September 2017 - Continued

- ii) Nine Months Ended 30 September 2017 compared to Nine Months Ended 30 September 2016

For the nine months ended 30 September 2017, the Group recorded higher revenue of RM169.40 million as compared to RM130.41 million in the preceding financial period which represents an increase by RM38.99 million or 30%. The higher revenue mainly resulted from the Group consolidation of the full 9 months results of the newly acquired subsidiary, DOSB in current financial period ended 30 September 2017 as compared to 2 months results in the preceding financial period. The higher revenue was also driven by increase in sales demand from existing and new customers.

The profit before tax was lower by 1.4% or RM0.21 million to RM14.65 million for the financial period ended 30 September 2017 from RM14.86 million in the preceding financial period. Despite higher revenue achieved for current financial period, profit before tax was affected by employee benefits expenses of RM1.48 million for Employee Share Option Scheme ("ESOS"), higher depreciation of RM6.94 million arising from the additional Capital Expenditure ("CAPEX") and higher foreign exchange loss of RM1.86 million as compared to RM0.19 million in the preceding financial period.

However, on a operational earnings before interest and taxation, depreciation and amortisation and foreign exchange ("EBITDAF") has increased from RM19.19 million to RM25.76 million which represents growth of 34.2% or RM6.57 million arising from the consolidation of full 9 months result of newly acquired subsidiary, DOSB in current financial period ended 30 September 2017, operational performance improvement and economies of scale.

B2. Variation of Results Against Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes %
	30 Sep 2017	30 Jun 2017	
	RM'000	RM'000	
Revenue	61,168	60,361	1.3
Operating Profit	4,543	6,788	(33.1)
Profit Before Interest and Tax	4,571	6,793	(32.7)
Profit Before Tax	3,848	5,980	(35.7)
Profit After Tax	2,698	4,168	(35.3)
Profit Attributable to Owners of the Company	2,598	4,032	(35.6)

The Group's revenue for the current quarter has slightly increased by RM0.81 million from RM60.36 million in the preceding quarter to RM61.17 million. However, the profit before tax has decreased by 35.7% from RM5.98 million in the immediate preceding quarter to RM3.85 million for the current period.

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B2. Variation of Results Against Preceding Quarter - Continued

Seasonally high sales volume has drove the growth of revenue in current quarter as compared to preceding quarter. However, the sales was below expectation as there was rescheduling of sales by key customers. The raw material costs increased due to different product mix and impacted the Group's margins.

B3. Prospects of the Group

The operating environment for 2017 continues to remain challenging and the Group is looking to reduce operating cost and fulfilling backlog orders from the Customers in near term. The Group is still looking towards factory expansion across the subsidiaries to increase factory space and manufacturing assets in order to, amongst others achieve higher sales, improving cost structure and gain economies of scale. The construction and renovation of the new facilities in Vietnam is in progress despite some delays and expected to complete by beginning of 2018. Total capital expenditure is expected to increase due to higher building specifications and factory facilities investment and is expected to improve the cost structure and increase production capacities in the Vietnam subsidiary in the long run.

The Group is continuing to enhance skills, increase the level of automation and embrace new technologies to achieve higher efficiencies in the longer term. CAPEX to increase its manufacturing capacity and enhance level of automation will continue drive the Group 's overall prospects moving into 2018.

Business development activities and efforts to grow revenue across all subsidiaries in the group remains high on the Group's agenda.

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>	
	30 Sep 2017 RM'000	30 Sep 2016 RM'000	30 Sep 2017 RM'000	30 Sep 2016 RM'000
In respect of the current period:				
Income tax	1,165	2,537	4,493	4,918
Deferred tax	(15)	135	(46)	250
	-----	-----	-----	-----
Tax expense	1,150	2,672	4,447	5,168
	=====	=====	=====	=====

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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 are no corporate proposal announced but not completed in the interval from the date of the last report and the date of this announcement.

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 2017 RM'000	<u>Audited</u> 31 Dec 2016 RM'000
Short term borrowings:		
Bankers' acceptance	12,152	8,391
Hire purchase payables	3,325	2,795
Term loans	5,752	5,243
	-----	-----
	21,229	16,429
	-----	-----
Long term borrowings:		
Hire purchase payables	5,246	5,347
Term loans	33,940	26,414
	-----	-----
	39,186	31,761
	-----	-----
	60,415	48,190
	=====	=====

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. Dividend Proposed

There was no dividend declared or proposed by the company for the current quarter ended 30 September 2017.

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</u> <u>2017</u>	<u>30 Sep</u> <u>2016</u>	<u>30 Sep</u> <u>2017</u>	<u>30 Sep</u> <u>2016</u>
Profit after tax (RM'000)	2,598	5,554	9,794	8,456
Dividends on RCPS (RM'000)	-	-	(495)	-
	-----	-----	-----	-----
Profit attributable to owners of the Company (RM'000)	2,598	5,554	9,299	8,456
	=====	=====	=====	=====
Weighted average number of shares in issue ('000)*	76,908	76,908	76,908	76,908
	=====	=====	=====	=====
Basic EPS (Sen)	3.38	7.22	12.09	10.99
	=====	=====	=====	=====

Diluted earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2017</u>	<u>30 Sep</u> <u>2016</u>	<u>30 Sep</u> <u>2017</u>	<u>30 Sep</u> <u>2016</u>
Profit after tax (RM'000)	2,598	5,554	9,794	8,456
Interest expenses on RCPS (RM'000)	50	48	158	150
	-----	-----	-----	-----
Profit attributable to owners of the Company for diluted earnings per share	2,648	5,602	9,952	8,606
	=====	=====	=====	=====
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	30,000
- ESOS ('000)	434	-	434	-
	-----	-----	-----	-----
	107,342	106,908	107,342	106,908
	=====	=====	=====	=====
Diluted EPS (Sen)	2.47	5.24	9.27	8.05
	=====	=====	=====	=====

Note:

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

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**B15. Audit Report**

The auditors' report of the company for the financial year ended 31 December 2016 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>2017</u> <u>RM'000</u>	<u>30 Sep</u> <u>2016</u> <u>RM'000</u>	<u>30 Sep</u> <u>2017</u> <u>RM'000</u>	<u>30 Sep</u> <u>2016</u> <u>RM'000</u>
Profit before taxation is arrived at after crediting:				
Interest income	41	31	110	78
Gain on foreign exchange				
- realised	(134)	400	39	-
- unrealised	-	779	-	-
Gain on disposal of property, plant and equipment	36	-	90	-
and charging:				
Depreciation of property, plant and equipment	2,368	1,971	6,943	5,250
Interest expense	722	646	2,303	1,284
Loss on disposal of property, plant and equipment	68	5	68	8
Loss on foreign exchange				
- realised	338	-	338	149
- unrealised	13	-	1,565	37
	=====	=====	=====	=====

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

	<u>Unaudited</u> 30 Sep 2017 RM'000	<u>Audited</u> 31 Dec 2016 RM'000
Total retained profits:		
- realised	32,605	26,925
- unrealised	2,236	(1,878)
	----- 34,841	----- 25,047
	=====	=====