

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

First Quarter Results
Period ended
31 March 2020

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 2020**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>3 Month</u>	<u>3 Month</u>	<u>3 Month</u>	<u>3 Month</u>
		<u>Ended</u>	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>
		<u>31 Mar 2020</u>	<u>31 Mar 2019</u>	<u>31 Mar 2020</u>	<u>31 Mar 2019</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue		37,467	34,266	37,467	34,266
Other income		1,655	304	1,655	304
Share of results in associate		(90)	175	(90)	175
Changes in inventories of finished goods and work-in-progress		(1,662)	(1,376)	(1,662)	(1,376)
Raw materials used		(20,182)	(15,622)	(20,182)	(15,622)
Employee benefits		(11,355)	(11,247)	(11,355)	(11,247)
Depreciation and amortisation		(2,940)	(2,285)	(2,940)	(2,285)
Other operating expenses		(6,854)	(7,156)	(6,854)	(7,156)
Finance costs		(1,330)	(1,023)	(1,330)	(1,023)
(Loss) / Profit before tax		(5,291)	(3,964)	(5,291)	(3,964)
Tax income / (expenses)	B6	3	9	3	9
(Loss) / Profit for the period		(5,288)	(3,955)	(5,288)	(3,955)
Other Comprehensive (Loss) / Income		-	(86)	-	(86)
Exchange differences on translating foreign operations		237	-	237	-
Share of other comprehensive income of associate		-	-	-	-
Total Comprehensive (Loss) / Income for the period		(5,051)	(4,041)	(5,051)	(4,041)
(Loss) / Profit after tax attributable to:					
Owners of the Company		(4,917)	(3,619)	(4,917)	(3,619)
Non-Controlling Interest		(371)	(336)	(371)	(336)
		(5,288)	(3,955)	(5,288)	(3,955)
Total Comprehensive (Loss) / Income attributable to:					
Owners of the Company		(4,680)	(3,705)	(4,680)	(3,705)
Non-Controlling Interest		(371)	(336)	(371)	(336)
		(5,051)	(4,041)	(5,051)	(4,041)
(Loss) / Earnings per share (Sen)					
Basic	B14	(6.39)	(4.70)	(6.39)	(4.70)
Diluted	B14	(4.59)	(3.36)	(4.59)	(3.36)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 31 MARCH 2020**

	Notes	<u>Unaudited</u> As at 31 Mar 2020 RM'000	<u>Audited</u> As at 31 Dec 2019 RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		1,092	1,183
Property, plant and equipment		99,249	96,989
Prepaid lease payments		-	-
Right-of-use assets		26,514	29,645
Goodwill on consolidation		31,195	31,195
		<u>158,050</u>	<u>159,012</u>
Current Assets			
Inventories		29,738	29,820
Trade receivables		29,175	30,401
Other receivables, deposits and prepayments		4,389	3,161
Current tax assets		2,679	2,386
Fixed deposits with licensed banks		2,788	3,371
Cash and bank balances		7,823	7,218
		<u>76,592</u>	<u>76,357</u>
Total Assets		<u>234,642</u>	<u>235,369</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		45,643	45,643
Treasury shares		(1,843)	(1,843)
Reserves		44,888	49,567
Total Equity Attributable to Owners of the Company		<u>88,688</u>	<u>93,367</u>
Non-controlling interests		5,135	5,506
		<u>93,823</u>	<u>98,873</u>
Non-Current Liabilities			
Long-term borrowings	B10	50,279	53,899
Lease liabilities		707	-
Redeemable convertible preference shares		-	-
Hire purchase payables - LT		-	-
Deferred taxation		2,570	2,573
		<u>53,556</u>	<u>56,472</u>
Current Liabilities			
Trade payables		22,391	24,748
Other payables and accruals		18,790	13,828
Lease liabilities		628	-
Short-term borrowings	B10	32,462	32,359
Bank overdraft		12,992	8,812
Redeemable convertible preference shares		-	277
		<u>87,263</u>	<u>80,024</u>
Total Liabilities		<u>140,819</u>	<u>136,496</u>
Total Equity and Liabilities		<u>234,642</u>	<u>235,369</u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		1.17	1.24

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

	3 Month 31 Mar 2020 RM'000	3 Month 31 Mar 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(5,291)	(3,964)
Adjustments for:		
Depreciation and amortisation	2,011	2,285
Property, plant and equipment written off	129	-
Amortisation of right-of-use asset	929	-
Amortisation of prepaid lease payment	-	624
Interest expense	1,330	1,023
Loss / (Gain) on foreign exchange – unrealised	(2,227)	60
Share of results of an associate	90	(175)
Gain on disposal of property, plant and equipment	-	(91)
Interest income	(17)	(29)
Operating profit before working capital changes	(3,046)	(267)
Net changes in inventories	83	(98)
Net changes in trade and other receivables	1,221	3,665
Net changes in trade and other payables	2,953	(5,260)
CASH FLOWS FROM OPERATIONS	1,211	(1,960)
Tax paid	(293)	(789)
NET CASH FROM OPERATING ACTIVITIES	918	(2,749)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	17	29
(Increase) / Withdrawal of fixed deposits with licensed bank	547	(13)
Proceeds from disposal of property, plant and equipment	-	165
Purchase of property, plant and equipment	(686)	(847)
Purchase of right-of-use asset	(273)	-
NET CASH FOR INVESTING ACTIVITIES	(395)	(666)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - CONTINUED**

	3 Month 31 Mar 2020 RM'000	3 Month 31 Mar 2019 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(1,321)	(997)
Net drawdown/(repayment) of term loan	(1,889)	447
Net drawdown/(repayment) of multi currency trade loan	2,797	-
Net drawdown/(repayment) of bankers' acceptance	(1,412)	-
Net drawdown of revolving credit	(890)	-
Net repayment of hire purchase obligations	-	(1,126)
Net drawdown/(repayment) of other short-term bank borrowings		(14)
Repayment of lease liabilities	(745)	-
NET CASH FOR FINANCING ACTIVITIES	(3,460)	(1,690)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,937)	(5,105)
Effect of changes in exchange rates	(638)	95
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	(1,594)	8,934
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	(5,169)	3,924

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

	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Fixed deposits with licensed banks	2,788	3,044
Cash and bank balances	7,823	6,676
Less: Bank overdrafts	(12,992)	(2,752)
Less: FD pledged to licensed banks	(2,788)	(1,760)
Less: FD with maturity more than 3 months		(1,284)
	(5,169)	3,924

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

	← Non-Distributable		→ Distributable			Retained Earnings RM'000	Total Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Shares Option Reserve RM'000	Redeemable Preference Share RM'000	Foreign Exchange Translation Reserve RM'000				
As at 1 January 2020	45,643	(1,843)	2,450	13,738	1,982	31,397	93,367	5,506	98,873
- effect of adopting MFRS 16									-
As at 1 January 2020 (restated)	45,643	(1,843)	2,450	13,738	1,982	31,397	93,367	5,506	98,873
Loss for the period	-	-	-	-	-	(4,916)	(4,916)	(371)	(5,287)
Other comprehensive income:									
- Foreign currency translation - differences	-	-	-	-	237	-	237	-	237
- Share of an associate's other comprehensive income	-	-	-	-	(0)	-	(0)	-	-
Contributions by and distributions to owners of the Company:									
- Issuance of shares under the ESOS	-	-	-	-	-	-	-	-	-
- Share options to employees	-	-	-	-	-	-	-	-	-
- Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-
Employee' share options reserve	-	-	-	-	-	-	-	-	-
As at 31 March 2020	45,643	(1,843)	2,450	13,738	2,219	26,481	88,688	5,135	93,823

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 - CONTINUED**

	← Non-Distributable		→ Distributable			Retained Earnings RM'000	Total Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Shares Option Reserve RM'000	Redeemable Convertible Preference Share RM'000	Foreign Exchange Translation Reserve RM'000				
As at 1 January 2019	45,643	(1,843)	2,204	13,738	2,038	40,104	101,884	5,838	107,722
- effect of adopting MFRS 16	-	-	-	-	-	-	-	-	-
As at 1 January 2019 (restated)	45,643	(1,843)	2,204	13,738	2,038	40,104	101,884	5,838	107,722
Profit for the period	-	-	-	-	-	(3,619)	(3,619)	(336)	(3,955)
Other comprehensive income:									
- Foreign currency translation - differences	-	-	(86)	-	-	-	(86)	-	(86)
- Share of an associate's other comprehensive income	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners of the Company:									
- Issuance of shares under the ESOS	-	-	-	-	-	-	-	-	-
- Share options to employees	-	-	-	-	-	-	-	-	-
- Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-
Employee' share options reserve	-	-	-	-	-	-	-	-	-
As at 31 March 2019	45,643	(1,843)	2,118	13,738	2,038	36,485	98,179	5,502	103,681

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the interim financial statements.

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PART 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 2019. 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 financial year ended 31 December 2019.

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 2019.
- (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 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The Group is in the process of making an assessment of the impact of the adoption of these standards and amendments to existing standards.

PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134**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.

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PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**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 significant changes in estimates 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, metal stamping products and components. The segmental information has been presented as follows:-

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

	Malaysia	Vietnam	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
As at 31 March 2020				
Revenue				
- sales to external parties	31,431	6,036	-	37,467
- inter-segment sales	(6)	-	6	-
Total revenue	31,425	6,036	6	37,467
Segment results	(3,867)	(80)	(14)	(3,961)
Finance costs				(1,330)
Loss before taxation				(5,291)

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PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**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 December 2019				
Revenue				
- sales to external parties	34,695	7,368	-	42,063
- inter-segment sales	8	-	(8)	-
Total revenue	34,703	7,368	(8)	42,063
Segment results	(851)	(769)	(17)	(1,637)
Finance costs				(1,418)
Loss before taxation				(3,055)

Preceding Year Corresponding Quarter

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2019				
Revenue				
- sales to external parties	28,351	5,915	-	34,266
- inter-segment sales	14	-	(14)	-
Total revenue	28,365	5,915	(14)	34,266
Segment results	(2,129)	(799)	(13)	(2,941)
Finance costs				(1,023)
Loss before taxation				(3,964)

(b) By Industry Segment

Industrial segmental information is not applicable.

A8. Material Events Subsequent to the End of the Quarter Under Review

There were no significant events subsequent to the end of the current quarter under review and up to the date of this announcement, except that, the conversion of Redeemable Convertible Preference Shares ("RCPS") in April 2020, and the COVID-19 which has resulted in unprecedented factory closures in Malaysia during the first phase of the government mandated movement control order ("MCO"). However, all factories have subsequently been allowed operate in stages starting April and May 2020.

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PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**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 2020.

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 RM141.17 million to subsidiary companies and RM87.55 million was utilised as at 31 March 2020.

A11. Capital Commitments

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

	<u>Unaudited</u> 31 Mar 2020 RM'000	<u>Audited</u> 31 Dec 2019 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	3,182	2,846
Approved but not contracted for:		
Purchase of property, plant and equipment	1,662	1,825

A12. Related Party Transactions

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

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Transaction with related parties:				
Purchase of components	381	445	381	445
Rental of premises	45	45	45	45
Technical fee	33	33	33	33
Sales of goods	203	1,080	203	1,080
Research and development	109	109	109	109

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PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1. Review of Group's Results for the Quarter Ended 31 March 2020**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 Month Ended 31 Mar 2020 RM'000	3 Month Ended 31 Mar 2019 RM'000	Changes %	3 Month Ended 31 Mar 2020 RM'000	3 Month Ended 31 Mar 2019 RM'000	Changes %
Revenue	37,467	34,266	9.3	37,467	34,266	9.3
Operating (Loss) / Profit	(3,871)	(3,116)	24.2	(3,871)	(3,116)	24.2
(Loss) / Profit Before Interest and Tax	(3,961)	(2,941)	34.7	(3,961)	(2,941)	34.7
(Loss) / Profit Before Tax	(5,291)	(3,964)	33.5	(5,291)	(3,964)	33.5
(Loss) / Profit After Tax	(5,288)	(3,955)	33.7	(5,288)	(3,955)	33.7
(Loss) / Profit Attributable to Owners of the Company	(4,917)	(3,619)	35.9	(4,917)	(3,619)	35.9
EBITDAF	(1,906)	(395)	382.8	(1,906)	(395)	382.8

i. Quarter Ended 31 March 2020 compared to Quarter Ended 31 March 2020

Covid-19 was the major disruptive factor that the Group have to face up to in the first quarter of 2020, initially from the disruption to the supply chain constricting our sales revenue as components were not coming in to our factories and also our customers were forced to slow down purchasing of our parts as their assembly lines were similarly disrupted. Added on to the challenge, from the month of March onwards the worst effect of the pandemic hit Malaysia and the rest of the world with its full force, the Group was forced to shut down (and hence no sales for Malaysian factories from 17th March onwards) its Malaysian factories from the start of the Movement Control Order in the middle of March onwards. Only the Vietnam factory was running throughout this period but it was nevertheless not spared from the revenue and other supply chain disruptions.

As we have reported in the previous quarterly result, the company was on a trajectory for better sales figures as the company were gearing up for the ramp up of key projects in each of our factories before the pandemic hit us. Notwithstanding the effects of the pandemic affecting us in the first quarter, the sales revenue nevertheless recorded an increase of 9.3% to RM 37.5 mil as compared to the similar period of 2019. However there was a widening in the reported PATMI losses from RM3.6mil recorded in first quarter of 2019 to a loss of RM5.0mil for the current quarter as the abrupt lockdowns and the effects of the pandemic meant that the factories were forced to close with continuing costs, unexpected higher wastage and hence higher losses. On a consolidated basis, the group's depreciation and finance costs also increased due to the effects of the increased fixed assets that the Group have taken on. It is however noteworthy that the Vietnam facility continued to improve and was able to record an increased revenue and also positive EBITDAF, a big improvement from the comparable quarter of the past year.

B2. Variation of Results Against Preceding Quarter

	INDIVIDUAL QUARTER		
	3 Month Ended 31 Mar 2020 RM'000	3 Month Ended 31 Dec 2019 RM'000	Changes %
Revenue	37,467	42,063	(10.9)
Operating Profit / (Loss)	(3,871)	(1,555)	(148.9)
Profit / (Loss) Before Interest and Tax	(3,961)	(1,637)	(142.0)
Loss Before Tax	(5,291)	(3,055)	(73.2)
Loss After Tax	(5,288)	(2,220)	(138.2)
Loss Attributable to Owners of the Company	(4,917)	(2,166)	(127.0)
EBITDAF	(1,906)	1,801	205.8

In terms of the comparison with the preceding quarter, the revenue showed a decline of 10.9% from RM42mil to RM 37.5mil, resulting from the seasonal factors as well as the effect of the pandemic on the first quarter of 2020. Seasonally the first quarter of the calendar year have always been the poorest quarter in term of sales revenue. The sales decline resulted in a widening of the loss from RM2.16mil to RM5mil for the same reasons described above.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B3. Prospects of the Group**

During the MCO period, the operations of our factories were severely disrupted as we were initially not allowed to operate, and then only were we able to obtain MITI approval to operate in stages as we progressed through the pandemic phase. The Penang facility because of its medical capability and being part of the vital supply chain within the medical product supply chain was first given permission to operate and then only gradually the other factories were brought back into operations. Despite the opening of factories in stages, this dislocation will impact our revenues, profitability and operating cashflow during this period.

The management have taken a proactive stance in engaging with all the stakeholders ie our customers, suppliers, bankers and also our employees in order to be transparent on all aspects of the operations of the company. The overriding objective during this period is to be able to have an orderly transition and then be able to fight our way out of the situation until the resumption of normal activities. The moratorium given by Malaysian banks have helped with overall cashflow and the fact that our customers have generally been very supportive by paying on time and likewise we have similarly been able to normalize our payments to our vendors as well. Our employees have also done a great part during this period as we strategize and plan for the future as we dealt with the various SOP's and also sacrificed a lot of their personal time and effort to share the burden of the Group. We can also report that generally, customers have not cancelled their purchase orders but rather chose to defer them, so upon resumption of operation, we have been able to continue with shipping our products out, though on reduced volumes.

During this period, the business development team have also been able to continue engaging with existing customers and new customers. The level of enquiries during this period have also been encouraging and hopefully this can translate into more wins and subsequently sales revenue further down the road. We are encouraged that our existing and a few potential customers have during this period awarded several projects which will result in revenue generation in the near future. On that note, we are cautiously and very selectively continuing our investments into new process and equipment to support our customers.

In terms of prospect for the group going forward, the recent announcement by the various governments globally on the exit strategy from their lock downs have given hope to the Group that the demand side visibility from customers is gradually coming back up. However there is still a great element of uncertainty as to the speed and trajectory of the Group's revenue going forward and as a result, the Group is still pursuing a policy of maintaining a tight control on cost on all sites and focusing on cash preservation on the treasury side. The Management believes in the saying that "when the going gets tough, the tough gets going". As the world transitions into this "new normal", we believe that the carefully implemented strategy together with the excellent and united workforce, we will be in a good position and stronger footing to be able to face the ongoing uncertainties and we are cautiously optimistic that given the right supportive policies of the global governments, we should be able to grow out of this crisis in due course. We wish to thank our stakeholders for their support and their indulgences during this period in particular the Government of Malaysia, our bankers, suppliers, employees and customers as we ride through this storm.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****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:

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	-	-	-	-
Deferred tax	(3)	(9)	(3)	(9)
Tax expenses	<u>(3)</u>	<u>(9)</u>	<u>(3)</u>	<u>(9)</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

The were no corporate proposals during the quarter.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B10. Borrowings (Secured)**

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

	<u>Unaudited</u> 31 Mar 2020 RM'000	<u>Audited</u> 31 Dec 2019 RM'000
Short term borrowings:		
Bankers' acceptance	6,830	8,242
Term loans	7,870	9,267
Revolving credit	8,189	7,535
Multi currency trade loan	5,705	2,908
	<u>28,594</u>	<u>27,952</u>
Long term borrowings:		
Term loans	41,641	43,720
	<u>41,641</u>	<u>43,720</u>
Lease liabilities		
Current liabilities	3,868	4,407
Non-Current Liabilities	8,638	10,179
	<u>12,506</u>	<u>14,586</u>
	<u>82,741</u>	<u>86,258</u>

B11. Off Balance Sheet Financial Instrument

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.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B13. Dividend Proposed**

There was no dividend declared or proposed by the company for the current quarter ended 31 March 2020.

B14. (Loss) / Earnings per share (Sen)**Basic (loss) / earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Mar 2020</u>	<u>31 Mar 2019</u>	<u>31 Mar 2020</u>	<u>31 Mar 2019</u>
(Loss) / Profit attributable to ordinary shareholders (RM'000)	(4,917)	(3,619)	(4,917)	(3,619)
Dividends on RCPS (RM'000)	<u>(4,917)</u>	<u>(3,619)</u>	<u>(4,917)</u>	<u>(3,619)</u>
Weighted average number of shares in issue ('000)*	<u>76,927</u>	<u>76,927</u>	<u>76,927</u>	<u>76,927</u>
Basic EPS (Sen)	<u>(6.39)</u>	<u>(4.70)</u>	<u>(6.39)</u>	<u>(4.70)</u>

Diluted (loss) / earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Mar 2020</u>	<u>31 Mar 2019</u>	<u>31 Mar 2020</u>	<u>31 Mar 2019</u>
(Loss) / Profit attributable to ordinary shareholders (RM'000)	(4,917)	(3,619)	(4,917)	(3,619)
Interests on RCPS (RM'000)	<u>9</u>	<u>27</u>	<u>9</u>	<u>27</u>
	<u>(4,908)</u>	<u>(3,592)</u>	<u>(4,908)</u>	<u>(3,592)</u>
Weighted average number of shares in issue ('000)*	<u>76,927</u>	<u>76,927</u>	<u>76,927</u>	<u>76,927</u>
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)	-	-	-	-
	<u>106,927</u>	<u>106,927</u>	<u>106,927</u>	<u>106,927</u>
Diluted EPS (Sen)	<u>(4.59)</u>	<u>(3.36)</u>	<u>(4.59)</u>	<u>(3.36)</u>

Note:

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

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B15. Audit Report**

The auditors' report of the company for the financial year ended 31 December 2019 was not subject to any qualification.

B16. Notes to the Statement of Comprehensive Income

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
(Loss) / Profit before taxation is arrived at after crediting:				
Interest income	(17)	(29)	(17)	(29)
Gain on foreign exchange				
- realised	(113)	(98)	(113)	(98)
- unrealised	(1,444)	(50)	(1,444)	(50)
Gain on disposal of property, plant and equipment	-	(91)	-	(91)
Gain on disposal of right-of-use asset	-	-	-	-
and after charging:				
Depreciation and amortisation	2,940	2,285	2,940	2,285
Interest expenses	1,330	1,023	1,330	1,023
Loss on foreign exchange				
- realised	351	324	351	324
- unrealised	357	110	357	110
Property, plant and equipment written off	129		129	
Inventories written down	-	31	-	31
Loss on disposal of property, plant and equipment	-		-	

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.