

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

Third Quarter Results
Period ended
30 September 2020

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>3 Months</u>	<u>3 Months</u>	<u>9 Months</u>	<u>9 Months</u>
		<u>Ended</u>	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>
		<u>30 Sep 2020</u>	<u>30 Sep 2019</u>	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue		57,345	44,194	125,328	116,924
Other income		604	539	1,329	1,216
Share of results in associate		(9)	40	(89)	187
Changes in inventories of finished goods and work-in-progress		(583)	760	(1,542)	1,678
Raw materials used		(30,493)	(20,742)	(65,092)	(56,053)
Employee benefits		(11,889)	(12,332)	(30,846)	(35,585)
Depreciation and amortisation		(2,932)	(2,783)	(8,779)	(7,677)
Other operating expenses		(8,412)	(9,133)	(19,106)	(24,015)
Finance costs		(1,152)	(1,335)	(3,773)	(3,505)
Profit / (Loss) before tax		2,479	(792)	(2,570)	(6,830)
Tax (expenses) / income	B6	(527)	103	(523)	29
Profit / (Loss) for the period		1,952	(689)	(3,093)	(6,801)
Other Comprehensive Income / (Loss)		-	-	-	-
Exchange differences on translating foreign operations		(125)	75	91	59
Share of other comprehensive income of associate		-	-	-	-
Total Comprehensive (Loss) / Income for the period		1,827	(614)	(3,002)	(6,742)
(Loss) / Profit after tax attributable to:					
Owners of the Company		2,189	(958)	(2,236)	(6,522)
Non-Controlling Interest		(237)	269	(857)	(279)
		1,952	(689)	(3,093)	(6,801)
Total Comprehensive (Loss) / Income attributable to:					
Owners of the Company		2,064	(883)	(2,145)	(6,463)
Non-Controlling Interest		(237)	269	(857)	(279)
		1,827	(614)	(3,002)	(6,742)
(Loss) / Earnings per share (Sen)					
Basic	B14	2.05	(1.25)	(2.09)	(9.12)
Diluted	B14	2.05	(0.88)	(2.08)	(6.04)

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 BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	Notes	<u>Unaudited</u> As at 30 Sep 2020 RM'000	<u>Audited</u> As at 31 Dec 2019 RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		1,094	1,183
Property, plant and equipment		96,467	96,989
Right-of-use assets		28,230	29,645
Goodwill on consolidation		31,195	31,195
		<u>156,986</u>	<u>159,012</u>
Current Assets			
Inventories		35,577	29,820
Trade receivables		35,718	30,401
Other receivables, deposits and prepayments		2,790	3,161
Current tax assets		2,151	2,386
Fixed deposits with licensed banks		2,437	3,371
Cash and bank balances		8,372	7,218
		<u>87,045</u>	<u>76,357</u>
Total Assets		<u>244,031</u>	<u>235,369</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		60,643	45,643
Treasury shares		(1,843)	(1,843)
Reserves		32,422	49,567
Total Equity Attributable to Owners of the Company		<u>91,222</u>	<u>93,367</u>
Non-controlling interests		4,649	5,506
		<u>95,871</u>	<u>98,873</u>
Non-Current Liabilities			
Long-term borrowings	B10	49,495	53,899
Deferred taxation		2,567	2,573
		<u>52,062</u>	<u>56,472</u>
Current Liabilities			
Trade payables		26,360	24,748
Other payables and accruals		25,327	13,828
Short-term borrowings	B10	33,757	32,359
Bank overdraft		10,654	8,812
Redeemable convertible preference shares		-	277
		<u>96,098</u>	<u>80,024</u>
Total Liabilities		<u>148,160</u>	<u>136,496</u>
Total Equity and Liabilities		<u>244,031</u>	<u>235,369</u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		0.87	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 THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	9 Months Ended 30 Sep 2020 RM'000	9 Months Ended 30 Sep 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(2,570)	(6,830)
Adjustments for:		
Depreciation and amortisation	6,369	7,230
Property, plant and equipment written off	129	-
Amortisation of right-of-use asset	2,410	447
Employee benefits expense	-	247
Interest expense	3,773	3,505
Loss / (Gain) on foreign exchange – unrealised	(328)	(370)
Share of results of an associate	89	(187)
Gain on disposal of property, plant and equipment	(16)	(166)
Interest income	(74)	(85)
Operating profit before working capital changes	9,782	3,791
Net changes in inventories	(5,757)	(6,971)
Net changes in trade and other receivables	(4,799)	756
Net changes in trade and other payables	13,062	5,085
CASH FLOWS FROM OPERATIONS	12,288	2,661
Tax paid	(293)	(2,269)
Tax refunded	-	1,320
NET CASH FROM OPERATING ACTIVITIES	11,995	1,712
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	74	85
(Increase) / Decrease in pledged of fixed deposits with licensed bank	924	(344)
Proceeds from disposal of property, plant and equipment	57	241
Purchase of property, plant and equipment	(3,384)	(8,376)
Purchase of right-of-use asset	(3,631)	-
NET CASH FOR INVESTING ACTIVITIES	(5,960)	(8,394)

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 - CONTINUED**

	9 Months Ended 30 Sep 2020 RM'000	9 Months Ended 30 Sep 2019 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(3,761)	(3,442)
Net drawdown/(repayment) of term loan	(716)	(2,732)
Net drawdown/(repayment) of multi currency trade loan	3,609	-
Net drawdown/(repayment) of bankers' acceptance	(1,765)	-
Net drawdown/(repayment) of revolving credit	(1,824)	-
Net drawdown/(repayment) of hire purchase obligations	-	(3,626)
Net drawdown/(repayment) of other short-term bank borrowings	-	7,032
Repayment of lease liabilities	(2,410)	(421)
NET CASH FOR FINANCING ACTIVITIES	(6,867)	(3,189)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(832)	(9,871)
Effect of changes in exchange rates	144	394
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	(1,594)	8,934
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	(2,282)	(543)

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

	30 Sep 2020 RM'000	30 Sep 2019 RM'000
Fixed deposits with licensed banks	2,437	3,375
Cash and bank balances	8,372	6,409
Less: Bank overdrafts	(10,654)	(6,952)
Less: FD pledged to licensed banks	(2,437)	(1,791)
Less: FD with maturity more than 3 months	-	(1,584)
	(2,282)	(543)

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.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 Convertible 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	-	-	-	-	-	(2,236)	(2,236)	(857)	(3,093)
Other comprehensive income:									
- Foreign currency translation - differences	-	-	-	-	91	-	91	-	91
- Share of an associate's other comprehensive income	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners of the Company:									
- Conversion of RCPS to share capital	15,000	-	-	(13,738)	-	(1,262)	-	-	-
As at 30 September 2020	60,643	(1,843)	2,450	0	2,073	27,899	91,222	4,649	95,871

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	-	(10)	(10)	-	(10)
As at 1 January 2019 (restated)	45,643	(1,843)	2,204	13,738	2,038	40,094	101,874	5,838	107,712
Loss for the period	-	-	-	-	-	(6,522)	(6,522)	(279)	(6,801)
Other comprehensive income:									
- Foreign currency translation - differences	-	-	-	-	59	-	59	-	59
- Share of an associate's other comprehensive income	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners of the Company:									
- Conversion of RCPS to share capital	-	-	-	-	-	-	-	-	-
- Share options to employees	-	-	247	-	-	-	247	-	247
As at 30 September 2019	45,643	(1,843)	2,451	13,738	2,097	33,572	95,658	5,559	101,217

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.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

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.

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.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)**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 RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 September 2020				
Revenue				
- sales to external parties	50,871	6,474	-	57,345
- inter-segment sales	161	-	(161)	-
Total revenue	51,032	6,474	(161)	57,345
Segment results	3,960	(315)	(14)	3,631
Finance costs				(1,152)
Profit before taxation				2,479

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

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 30 June 2020				
Revenue				
- sales to external parties	25,156	5,360	-	30,516
- inter-segment sales	504	-	(504)	-
Total revenue	25,660	5,360	(504)	30,516
Segment results	1,472	76	(15)	1,533
Finance costs				(1,291)
Profit before taxation				242

Preceding Year Corresponding Quarter

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated RM'000
As at 30 September 2019				
Revenue				
- sales to external parties	35,973	8,221	-	44,194
- inter-segment sales	18	-	(18)	-
Total revenue	35,991	8,221	(18)	44,194
Segment results	1,295	(740)	(12)	543
Finance costs				(1,335)
Loss before taxation				(792)

(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 require disclosure or adjustments to the unaudited interim financial statements.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

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 30 September 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 RM134 million to subsidiary companies and RM85.66 million was utilised as at 30 September 2020.

A11. Capital Commitments

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

	<u>Unaudited</u> 30 Sep 2020 RM'000	<u>Audited</u> 31 Dec 2019 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	<u>6,724</u>	<u>2,846</u>
Approved but not contracted for:		
Purchase of property, plant and equipment	<u>5,700</u>	<u>1,825</u>

A12. Related Party Transactions

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

	Individual Quarter ended		Cumulative Quarter ended	
	30 Sep 2020 RM'000	30 Sep 2019 RM'000	30 Sep 2020 RM'000	30 Sep 2019 RM'000
Transaction with related parties:				
Purchase of components	308	680	775	1,611
Transport charges	-	-	-	-
Rental of premises	36	45	87	136
Technical fee	34	33	80	99
Sales of goods	377	718	961	2,163
Research and development	<u>110</u>	<u>110</u>	<u>285</u>	<u>328</u>

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1. Review of Group's Results for the Quarter Ended 30 September 2020**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 Months Ended 30 Sep 2020 RM'000	3 Months Ended 30 Sep 2019 RM'000	Changes %	9 Months Ended 30 Sep 2020 RM'000	9 Months Ended 30 Sep 2019 RM'000	Changes %
Revenue	57,345	44,194	29.8	125,328	116,924	7.2
Operating (Loss) / Profit	3,640	503	623.7	1,292	(3,512)	136.8
(Loss) / Profit Before Interest and Tax	3,631	543	568.7	1,203	(3,325)	136.2
(Loss) / Profit Before Tax	2,479	(792)	413.0	(2,570)	(6,830)	62.4
(Loss) / Profit After Tax	1,952	(689)	383.3	(3,093)	(6,801)	54.5
(Loss) / Profit Attributable to Owners of the Company	2,189	(958)	328.5	(2,236)	(6,522)	65.7
EBITDAF	6,660	3,306	101.4	9,782	4,282	128.4

i. Quarter Ended 30 September 2020 compared to Quarter Ended 30 September 2019

GeShen Corporation continues with the recovery in its revenue with the third quarter sales of RM 57.35mil which was an improvement of approximately 30% over the preceding year's quarterly sales of RM 44.19mil. This improved sales performance is very gratifying as the whole company worked hard as a team to overcome the issues of the pandemic and resumed production after the second quarter stoppage. Customers too was very supportive as orders that was not fulfilled in second quarter was not cancelled but deliveries was allowed to be deferred. The relentless push towards business development over the past two years and the fulfillment of the new project implementation requirements have added to the Group's project pipeline and hence the Group have better order visibility in this quarter. This was true for the three plastic subsidiaries but the metal subsidiary underperformed in the third quarter as their customers which are more industrial products leaning have a slightly longer path to normalization.

As a result of the sales growth the Group have been able to register a profit before tax of RM2.48mil marking the second successive quarter of profitability of the Group. This is a substantial improvement over the comparable quarter of last year which registered a loss of RM0.792mil. The improvement in sales has a very positive effect on profitability as higher sales allows for better absorption of overheads and financial costs. Nevertheless, the management is still of the belief that the cost ratios can still be better improved over time and this matter continues to occupy the minds of management. Commensurate with the improve sales and profitability is the improvement in cashflow as the EBITDAF figure came in at RM6.660 mil which is a 101.4% improvement over the RM3.306 mil of the third quarter of last year.

The management continues to be highly appreciative of the banking relationships with the financial institutions and as at the time of writing of this report, we have exited or are about to exit from all the moratorium programmes offered by our banking partners during the initial Covid disruption period. Working capital requirement has started to build up again as utilization of trade lines have increased to fund the Group's increase in sales. However, it is gratifying to note that the debt service coverage ratio on a normalized principal repayment schedule (post moratorium) is approximately 1.5 times based on the Group's average monthly EBITDAF for the third quarter.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)**ii. Nine Months Ended 30 September 2020 compared to Nine Months Ended 30 September 2019

The strong recovery of the Group's revenue after the Covid related disruption in the earlier part of the year have allowed the year to date Group's revenue to catch up and indeed, exceeded last year's comparable period with sales of RM125.3mil which is 7.2% greater than the RM 116.9mil of last year. This has allowed the running year to date loss to be narrowed from a loss of RM6.83mil as at the end of the third quarter of last year to a substantially smaller loss of RM2.57mil in this year. Corresponding with the increased revenue and smaller loss, the cashflow from operations as measured by EBITDAF came in at RM9.78mil which is more than double that of the same period last year.

B2. Variation of Results Against Preceding Quarter

	INDIVIDUAL QUARTER		Changes %
	3 Months Ended 30 Sep 2020 RM'000	3 Month Ended 30 Jun 2020 RM'000	
Revenue	57,345	30,516	87.9
Operating Profit / (Loss)	3,640	1,523	139.0
Profit / (Loss) Before Interest and Tax	3,631	1,533	136.9
Profit / (Loss) Before Tax	2,479	242	924.4
Profit / (Loss) After Tax	1,952	243	703.3
Profit / (Loss) Attributable to Owners of the Company	2,189	492	344.9
EBITDAF	6,660	5,028	32.4

In many ways the comparison of the third quarter result with the second quarter shows a favourable comparison on all matrixes as revenue grew by 87.9% from RM30.516mil to RM 57.345mil. While profit before tax jumped by 9X from RM0.242mil to RM2.479mil. However the cashflow from operations did not grow by the same quantum as it grew by 32% only from RM5.028mil to RM6.660mil as manufacturing margins were knocked back a few points due to Covid disruption. Labour is also another issue as the restrictions of movements across borders brought on by Covid have resulted in a diminished supply of workers and this lead to some diseconomies of scale and inefficiencies.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

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

So far, the key factor that management is always very conscious of is the Covid issue and how it may flare up again and how the governments (both ours in Malaysia and other countries) intend to respond to the threat of Covid. The uncertainty of restrictions of movement may affects consumer behaviors in the Western economies while we may be directly affected through restrictions on hours of operations or indirectly through the restrictions on availability of labour. Thus far the order pipeline looks cautiously optimistic as orders from existing customer continues to be fairly normal while new customers and new models have contributed to a generally stronger pipeline.

Naturally the cyclical of order flow is still expected to be a factor as we approach the year end and the Chinese New Year period. Successful certification for ISO 13485 for the Johor plastic facility adds to our capability to bid for medical parts adding to our existing capability in Penang which have been active on medical parts. While eschewing the large-scale capex spending of previous years , the management is looking at making incremental capex to selectively debottleneck capacity limitations in certain moulding capability to allow for higher production capacity.

The metal plant in Johor is also forecasted to improve its sales and with it the management aim for the plant to be operating more optimally. As a Group, management is still continuously emphasizing on improving the cost of quality as well as manufacturing solutions in an effort to improve margins however the situation with insufficient labour is an unnecessary distraction. The management is also paying close attention to cashflow and how the business should be more cash optimized and keeping the gearing and leverage in check as the reliquification of the balance sheet continues through the higher run rate at all the factories.

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	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	529	(96)	529	-
Deferred tax	(2)	(7)	(6)	(29)
Tax expenses / (income)	<u>527</u>	<u>(103)</u>	<u>523</u>	<u>(29)</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.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B9. Corporate Proposals**

The were no corporate proposals during the quarter.

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> 30 Sep 2020 RM'000	<u>Audited</u> 31 Dec 2019 RM'000
Short term borrowings:		
Bankers' acceptance	6,477	8,242
Term loans	10,779	9,267
Revolving credit	5,710	7,535
Multi currency trade loan	6,517	2,908
	<u>29,483</u>	<u>27,952</u>
Long term borrowings:		
Term loans	41,592	43,720
	<u>41,592</u>	<u>43,720</u>
Lease liabilities		
Current liabilities	4,274	4,407
Non-Current Liabilities	7,903	10,179
	<u>12,177</u>	<u>14,586</u>
	<u>83,252</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.

B13. Dividend Proposed

There was no dividend declared or proposed by the company for the current quarter ended 30 September 2020.

GE-SHEN CORPORATION BERHAD

Company No. 633814-X
(Incorporated in Malaysia)

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B14. (Loss) / Earnings per share (Sen)****Basic (loss) / earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>
(Loss) / Profit attributable to ordinary shareholders (RM'000)	2,189	(958)	(2,236)	(6,522)
Dividends on RCPS (RM'000)	-	-	-	(495)
	<u>2,189</u>	<u>(958)</u>	<u>(2,236)</u>	<u>(7,017)</u>
Weighted average number of shares in issue ('000)*	106,927	76,927	106,927	76,927
Basic EPS (Sen)	<u>2.05</u>	<u>(1.25)</u>	<u>(2.09)</u>	<u>(9.12)</u>

Diluted (loss) / earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>	<u>30 Sep 2020</u>	<u>30 Sep 2019</u>
(Loss) / Profit attributable to ordinary shareholders (RM'000)	2,189	(958)	(2,236)	(6,522)
Interests on RCPS (RM'000)	-	18	9	63
	<u>2,189</u>	<u>(940)</u>	<u>(2,227)</u>	<u>(6,459)</u>
Weighted average number of shares in issue ('000)*	106,927	76,927	106,927	76,927
Weighted average number of new ordinary shares, assumption on conversion of the remaining:-				
- RCPS ('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>2.05</u>	<u>(0.88)</u>	<u>(2.08)</u>	<u>(6.04)</u>

Note:

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

B15. Audit Report

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

GE-SHEN CORPORATION BERHAD

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B16. Notes to the Statement of Comprehensive Income**

	Individual Quarter ended		Cumulative Quarter ended	
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
(Loss) / Profit before taxation is arrived at after crediting:				
Interest income	(24)	(26)	(74)	(85)
Gain on foreign exchange				
- realised	(306)	(49)	(713)	(288)
- unrealised	(222)	(309)	(291)	(393)
Gain on disposal of property, plant and equipment	(13)	(74)	(16)	(166)
Gain on disposal of right-of-use asset	-	-	-	-
and after charging:				
Depreciation and amortisation	2,932	2,783	8,779	7,677
Interest expenses	1,152	1,335	3,773	3,505
Loss on foreign exchange				
- realised	870	77	1,254	588
- unrealised	347	(59)	(37)	23
Property, plant and equipment written off	-	-	129	-
Inventories written down	-	61	-	91
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.