

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

Fourth Quarter Results
Period ended
31 December 2020

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		3 Months Ended 31 Dec 2020 RM'000	3 Months Ended 31 Dec 2019 RM'000	12 Months Ended 31 Dec 2020 RM'000	12 Months Ended 31 Dec 2019 RM'000
Revenue		70,488	42,063	195,816	158,987
Other income		407	(357)	1,736	858
Share of results in associate		(59)	(82)	(148)	92
Changes in inventories of finished goods and work-in-progress		2,366	(529)	824	1,364
Raw materials used		(48,340)	(20,594)	(113,432)	(76,862)
Employee benefits		(13,160)	(10,950)	(44,006)	(46,535)
Depreciation and amortisation		(2,738)	(2,922)	(11,517)	(10,599)
Other operating expenses		(3,167)	(8,266)	(22,273)	(32,281)
Finance costs		(1,161)	(1,418)	(4,934)	(4,923)
Profit / (Loss) before tax		4,636	(3,055)	2,066	(9,899)
Tax (expenses) / income	B6	(223)	835	(746)	865
Profit / (Loss) for the period		4,413	(2,220)	1,320	(9,034)
Other Comprehensive Income / (Loss)					
Exchange differences on translating foreign operations		(245)	(132)	(154)	(68)
Share of other comprehensive income of associate		3	17	3	17
Total Comprehensive Income / (Loss) for the period		4,171	(2,335)	1,169	(9,085)
Profit / (Loss) after tax attributable to:					
Owners of the Company		4,367	(2,166)	2,131	(8,697)
Non-Controlling Interest		46	(54)	(811)	(337)
		4,413	(2,220)	1,320	(9,034)
Total Comprehensive Income / (Loss) attributable to:					
Owners of the Company		4,125	(2,281)	1,980	(8,748)
Non-Controlling Interest		46	(54)	(811)	(337)
		4,171	(2,335)	1,169	(9,085)
Earnings / (Loss) per share (Sen)					
Basic	B14	4.08	(3.46)	1.73	(12.59)
Diluted	B14	4.08	(2.02)	2.00	(8.07)

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 DECEMBER 2020**

	Notes	<u>Unaudited</u> As at 31 Dec 2020 RM'000	<u>Audited</u> As at 31 Dec 2019 RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		1,037	1,183
Property, plant and equipment		95,908	96,989
Right-of-use assets		27,412	29,645
Goodwill on consolidation		31,195	31,195
		<u>155,552</u>	<u>159,012</u>
Current Assets			
Inventories		38,828	29,820
Trade receivables		39,783	30,401
Other receivables, deposits and prepayments		5,108	3,161
Current tax assets		1,703	2,386
Fixed deposits with licensed banks		2,834	3,371
Cash and bank balances		8,845	7,218
		<u>97,101</u>	<u>76,357</u>
Total Assets		<u><u>252,653</u></u>	<u><u>235,369</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		59,381	45,643
Treasury shares		(1,843)	(1,843)
Reserves		37,808	49,567
Total Equity Attributable to Owners of the Company		<u>95,346</u>	<u>93,367</u>
Non-controlling interests		4,696	5,506
		<u>100,042</u>	<u>98,873</u>
Non-Current Liabilities			
Long-term borrowings	B10	49,343	53,899
Deferred taxation		2,839	2,573
		<u>52,182</u>	<u>56,472</u>
Current Liabilities			
Trade payables		38,171	24,748
Other payables and accruals		18,332	13,828
Short-term borrowings	B10	36,532	32,359
Bank overdraft		7,394	8,812
Redeemable convertible preference shares		-	277
		<u>100,429</u>	<u>80,024</u>
Total Liabilities		<u>152,611</u>	<u>136,496</u>
Total Equity and Liabilities		<u><u>252,653</u></u>	<u><u>235,369</u></u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		0.89	1.21

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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

	12 Months Ended 31 Dec 2020 RM'000	12 Months Ended 31 Dec 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	2,066	(9,899)
Adjustments for:		
Depreciation and amortisation	8,173	7,379
Property, plant and equipment written off	172	-
Amortisation of right-of-use asset	3,344	3,220
Employee benefits expense	-	246
Interest expense	4,934	4,923
Loss on foreign exchange – unrealised	64	124
Share of results of an associate	148	(92)
(Gain) on disposal of property, plant and equipment	(95)	(82)
(Gain) on disposal of right-of-use asset	-	(91)
(Gain) on foreign exchange - unrealised	(965)	-
Interest income	(73)	(98)
Inventories written down	1,527	459
Operating profit before working capital changes	19,295	6,089
Net changes in inventories	(10,535)	(8,256)
Net changes in trade and other receivables	(9,134)	3,530
Net changes in trade and other payables	16,318	7,368
CASH FLOWS FROM OPERATIONS	15,944	8,731
Tax paid	(748)	(2,269)
Tax refunded	950	2,445
NET CASH FROM OPERATING ACTIVITIES	16,146	8,907
CASH FLOWS FOR INVESTING ACTIVITIES		
Deposit paid for purchase of property, plant & equipment	(1,264)	(224)
Interest received	73	98
Decrease / (Increase) in pledged of fixed deposits with licensed bank	245	(307)
Decrease / (Increase) in FD with maturity period of more than 3 months	304	(25)
Proceeds from disposal of property, plant and equipment	555	103
Proceeds from disposal of right-of-use asset	-	164
Purchase of property, plant and equipment	(3,854)	(8,956)
Purchase of right-of-use asset	(98)	(147)
NET CASH FOR INVESTING ACTIVITIES	(4,039)	(9,294)

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

	12 Months Ended 31 Dec 2020 RM'000	12 Months Ended 31 Dec 2019 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(4,925)	(4,851)
Net (repayment) of term loan	(1,847)	(5,573)
Net drawdown of multi currency trade loan	2,461	2,572
Net drawdown of bankers' acceptance	1,920	223
Net (repayment) / drawdown of revolving credit	(2,411)	2,322
Repayment of lease liabilities	(4,437)	(4,984)
NET CASH FOR FINANCING ACTIVITIES	(9,239)	(10,291)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,868	(10,678)
Effect of changes in exchange rates	177	151
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	(1,594)	8,933
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	1,451	(1,594)

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

	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Fixed deposits with licensed banks	2,834	3,371
Cash and bank balances	8,845	7,218
Less: Bank overdrafts	(7,394)	(8,812)
Less: FD pledged to licensed banks	(2,503)	(2,736)
Less: FD with maturity more than 3 months	(331)	(635)
	1,451	(1,594)

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 FOURTH QUARTER ENDED 31 DECEMBER 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
Profit / (Loss) for the period	-	-	-	-	-	2,131	2,131	(811)	1,320
Other comprehensive income:									
- Foreign currency translation - differences	-	-	-	-	(154)	-	(154)	-	(154)
- Share of an associate's other comprehensive income	-	-	-	-	2	-	2	1	3
Contributions by and distributions to owners of the Company:									
- Conversion of RCPS to share capital	13,738	-	-	(13,738)	-	-	-	-	-
As at 31 December 2020	59,381	(1,843)	2,450	-	1,830	33,528	95,346	4,696	100,042

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	-	-	-	-	-	(8,697)	(8,697)	(337)	(9,034)
Other comprehensive income:									
- Foreign currency translation - differences	-	-	-	-	(68)	-	(68)	-	(68)
- Share of an associate's other comprehensive income	-	-	-	-	12	-	12	5	17
Contributions by and distributions to owners of the Company:									
- Conversion of RCPS to share capital	-	-	-	-	-	-	-	-	-
- Share options to employees	-	-	246	-	-	-	246	-	246
As at 31 December 2019	45,643	(1,843)	2,450	13,738	1,982	31,397	93,367	5,506	98,873

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 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
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 16: COVID-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds Before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvement to MFRS Standards 2018-2020	1 January 2022

The Group has also early adopted the Amendment to MFRS 16: COVID-19 Related Rent Concessions issued by the MASB in June 2020, in response to the COVID-19 pandemic. The amendment is effective for annual periods beginning on or after 1 June 2020.

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

Besides the COVID-19 situation as elaborated in the Additional Information section, there were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

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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 31 December 2020				
Revenue				
- sales to external parties	62,615	7,873	-	70,488
- inter-segment sales	131	-	(131)	-
Total revenue	62,746	7,873	(131)	70,488
Segment results	6,054	(299)	43	5,797
Finance costs				(1,161)
Profit before taxation				4,636

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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 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

Preceding Year Corresponding 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)

(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.

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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 December 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 RM132 million to subsidiary companies and RM87.57 million was utilised as at 31 December 2020.

A11. Capital Commitments

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

	<u>Unaudited</u> 31 Dec 2020 RM'000	<u>Audited</u> 31 Dec 2019 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	7,126	1,536
Approved but not contracted for:		
Purchase of property, plant and equipment	3,270	1,825

A12. Related Party Transactions

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

	Individual Quarter ended		Cumulative Quarter ended	
	31 Dec 2020 RM'000	31 Dec 2019 RM'000	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Transaction with related parties:				
Purchase of components	520	457	1,295	2,361
Transport charges	-	-	-	-
Rental of premises	38	45	125	54
Technical fee	17	44	97	143
Sales of goods	375	-	1,336	2,988
Research and development	110	109	395	437

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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 December 2020**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 Months Ended 31 Dec 2020 RM'000	3 Months Ended 31 Dec 2019 RM'000	Changes %	12 Months Ended 31 Dec 2020 RM'000	12 Months Ended 31 Dec 2019 RM'000	Changes %
Revenue	70,488	42,063	67.6	195,816	158,987	23.2
Operating Profit / (Loss)	4,807	(1,555)	409.1	6,099	(5,068)	220.3
Profit / (Loss) Before Interest and Tax	5,797	(1,637)	454.1	7,000	(4,976)	240.7
Profit / (Loss) Before Tax	4,636	(3,055)	251.8	2,066	(9,899)	120.9
Profit / (Loss) After Tax	4,413	(2,220)	298.8	1,320	(9,034)	114.6
Profit / (Loss) Attributable to Owners of the Company	4,367	(2,166)	301.6	2,131	(8,697)	124.5
EBITDAF	8,062	1,788	350.9	17,844	6,070	194.0

i. Quarter Ended 31 December 2020 compared to Quarter Ended 31 December 2019

The company had an interestingly contrasting quarter as the optimism of increasing customer orders is counter balanced by the perils of operating in an environment where the spread of the virus have taken on a widely different dimension. The end of December 2020 was particularly challenging as the Western economies started on a more drastic form of lockdown and the disruption of the supply chain comes to a head with the issues faced by the logistics sector and the shortage of containers hampers the free flow of goods around the world.

Revenue for the fourth quarter continued with the improving trend of the previous two quarters and at RM70.49 million it is a 67.6% improvement on the fourth quarter of 2019. This is also the highest ever quarterly revenue recorded in the history of the Group. The early part of the quarter was particularly impressive as customer orders came in strongly and the manufacturing plants were able to deliver on the orders. This is a strong testament of the investment in time and effort on the business development side in bringing in a greater diversity in customers as well as winning more business from existing customers as well as the manufacturing team who persevered over the pandemic challenges to have the goods to deliver on the customers orders. In line with the higher revenues, the profit before tax for the Group came in at RM4.64 million which is quite a substantial improvement over the fourth quarter of 2019 loss of RM3.06 million. In our business which has a relatively high fixed cost, improvements in revenue will have a large and disproportionate improvement to the bottom line.

Cashflow as measured by EBITDAF came in at RM8.06 million for fourth quarter 2020, a 350.9% improvement over the RM1.79 million of the fourth quarter of 2019. This improvement in cashflow allows the balance sheet of the group to be relieved and notwithstanding the imposition of the second MCO, the group is meeting all financial obligations without the need for any debt moratorium.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)**ii. Twelve Months Ended 31 December 2020 compared to Twelve Months Ended 31 December 2019

For the twelve months, sales revenue came in at RM195.82 million a 23.2% higher achievement when compared with 2019. Profit before tax for the twelve months was RM2.07 million against a loss of RM9.90 million in 2019. The reason for the improvement can be attributable to the better cost control of the manufacturing process as the cost of rejects fall and also various one off costs involved with business development activity such as qualification for new projects were not repeated. EBITDAF also recorded a very healthy 194.0% improvement from RM6.07 million to RM17.84 million.

B2. Variation of Results Against Preceding Quarter

	INDIVIDUAL QUARTER		Changes %
	3 Months Ended 31 Dec 2020 RM'000	3 Months Ended 30 Sep 2020 RM'000	
Revenue	70,488	57,345	22.9
Operating Profit	4,807	3,640	32.1
Profit Before Interest and Tax	5,797	3,631	59.7
Profit Before Tax	4,636	2,479	87.0
Profit After Tax	4,413	1,952	126.1
Profit Attributable to Owners of the Company	4,367	2,189	99.5
EBITDAF	8,062	6,660	21.1

The comparison with the preceding quarter shows the operational leverage that the Group is operating on as profit before tax grew by 87.0% to RM4.64 million on a 22.9% improvement in revenue. Despite some disruption in fourth quarter, sales revenue were higher as customers placed higher orders and the plants were able to run more effectively without the earlier Covid-19 disrupted environment of the third quarter.

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

A lot of what 2021 have in store for the Group is really quite dependent on the ability of the global society to contain Covid-19. At a local level, the Group is keeping a very tight watch on observance of the required Standard Operating Procedure (SOP) prescribed by the Government, and not compromising on measures to be taken in order for the health and safety of our employees and in turn their families and society to be protected at all times. Covid-19 is also very disruptive on our international customers as their economies are undergoing a more severe form of lockdown and this has affected everything from sales, procurement pattern as well as logistics issues. The interwoven nature of the global supply chain is such that any missing parts from any vendor can still and will result in production line down thereby affecting our sales.

However, we believe that in the highly adaptive nature of organizations and without looking at comparisons on a month on month basis nor indeed on a quarter on quarter basis, we are cautiously optimistic for the prospects of the Group for 2021. We expect still some disruption to our operations in first quarter 2021 and perhaps second quarter 2021 but the entire Ge-Shen team is working towards closing the gaps and fulfilling customer orders as much as possible, while continuously looking to expand our customer base with new orders.

Moreover the successful rollouts of vaccination programmes in the key economies, will allow for the gradual reopening of these economies leading to demand normalization which will be beneficial to us. Business development efforts are continuously emphasized and several projects will be rolled through into mass production over the course of 2021. The Group has continued and committed to make incremental capital expenditure in order to meet customer demand and requirements. This includes the additional certified 100K Clean Room and Control Rooms which are due for completion on first quarter 2021. We continue to hold the belief that there is a growing effort from major global customers to diversify their supply chain and this trend will provide some tailwind to our business development programmes and eventually sales revenue.

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 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	(92)	114	437	114
Deferred tax	315	(950)	309	(979)
Tax expenses / (income)	<u>223</u>	<u>(835)</u>	<u>746</u>	<u>(865)</u>

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate of 24% due to the availability of income tax incentive in the form of reinvestment allowance in connection manufacturing capacity expansion and modernisation projects undertaken by some subsidiaries.

The effective tax rate of the Group for the current financial year is higher than the statutory tax rate of 24% mainly due to the non-recognition of deferred tax assets arising from the losses incurred by a subsidiary and certain expenses not being tax deductible.

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

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 Dec 2020 RM'000	<u>Audited</u> 31 Dec 2019 RM'000
Short term borrowings:		
Bankers' acceptance	10,162	8,242
Term loans	11,094	9,267
Revolving credit	5,220	7,535
Multi currency trade loan	5,369	2,908
	<u>31,845</u>	<u>27,952</u>
Long term borrowings:		
Term loans	40,022	43,720
	<u>40,022</u>	<u>43,720</u>
Lease liabilities		
Current liabilities	4,687	4,407
Non-Current Liabilities	9,321	10,179
	<u>14,008</u>	<u>14,586</u>
	<u>85,875</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 31 December 2020.

GE-SHEN CORPORATION BERHAD

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

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Profit / (Loss) attributable to ordinary shareholders (RM'000)	4,367	(2,166)	2,131	(8,697)
Dividends on RCPS (RM'000)	-	(495)	(286)	(990)
	<u>4,367</u>	<u>(2,661)</u>	<u>1,845</u>	<u>(9,687)</u>
Weighted average number of shares in issue ('000)*	106,927	76,927	106,927	76,927
Basic EPS (Sen)	<u>4.08</u>	<u>(3.46)</u>	<u>1.73</u>	<u>(12.59)</u>

Diluted earnings / (loss) earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Profit / (Loss) attributable to ordinary shareholders (RM'000)	4,367	(2,166)	2,131	(8,697)
Interests on RCPS (RM'000)	-	9	9	72
	<u>4,367</u>	<u>(2,157)</u>	<u>2,140</u>	<u>(8,625)</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
	<u>106,927</u>	<u>106,927</u>	<u>106,927</u>	<u>106,927</u>
Diluted EPS (Sen)	<u>4.08</u>	<u>(2.02)</u>	<u>2.00</u>	<u>(8.07)</u>

Note:

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

** The potential conversion of ESOS are anti-dilutive as the exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of ESOS has been ignored in the calculation of dilutive EPS.

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	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) before taxation is arrived at after crediting:				
Interest income	-	(13)	(73)	(98)
Gain / (Loss) on foreign exchange				
- realised	668	283	(45)	(5)
- unrealised	(674)	265	(965)	(128)
Gain on disposal of property, plant and equipment	(79)	(7)	(95)	(82)
Gain on disposal of right-of-use asset	-	-	-	(91)
and after charging:				
Depreciation and amortisation	2,738	2,922	11,517	10,599
Interest expenses	1,161	1,418	4,934	4,923
(Gain) / Loss on foreign exchange				
- realised	(101)	(142)	1,153	446
- unrealised	101	229	64	252
Property, plant and equipment written off	43	-	172	-
Inventories written down	1,527	359	1,527	459

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.