

GE-SHEN CORPORATION BERHAD
(Incorporated in Malaysia)

Interim Financial Statements

First Quarter Results
Period ended
31 March 2021

GE-SHEN CORPORATION BERHADCompany No. 633814-X
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>3 Months</u>	<u>3 Months</u>	<u>3 Months</u>	<u>3 Months</u>
		<u>Ended</u>	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>
		<u>31 Mar 2021</u>	<u>31 Mar 2020</u>	<u>31 Mar 2021</u>	<u>31 Mar 2020</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue		65,062	37,467	65,062	37,467
Other income		1,737	1,655	1,737	1,655
Share of results in associate		73	(90)	73	(90)
Changes in inventories of finished goods and work-in-progress		(633)	(1,662)	(633)	(1,662)
Raw materials used		(40,540)	(20,182)	(40,540)	(20,182)
Employee benefits		(12,801)	(11,355)	(12,801)	(11,355)
Depreciation and amortisation		(3,003)	(2,940)	(3,003)	(2,940)
Other operating expenses		(5,406)	(6,854)	(5,406)	(6,854)
Finance costs		(1,079)	(1,330)	(1,079)	(1,330)
Profit / (Loss) before tax		3,410	(5,291)	3,410	(5,291)
Tax (expenses) / income	B6	(552)	3	(552)	3
Profit / (Loss) for the period		2,858	(5,288)	2,858	(5,288)
Other Comprehensive Income / (Loss)					
Exchange differences on translating foreign operations		490	237	490	237
Share of other comprehensive income of associate		-	-	-	-
Total Comprehensive Income / (Loss) for the period		3,348	(5,051)	3,348	(5,051)
Profit / (Loss) after tax attributable to:					
Owners of the Company		2,688	(4,917)	2,688	(4,917)
Non-Controlling Interest		170	(371)	170	(371)
		2,858	(5,288)	2,858	(5,288)
Total Comprehensive Income / (Loss) attributable to:					
Owners of the Company		3,178	(4,680)	3,178	(4,680)
Non-Controlling Interest		170	(371)	170	(371)
		3,348	(5,051)	3,348	(5,051)
Earnings / (Loss) per share (Sen)					
Basic	B14	2.45	(6.39)	2.45	(6.39)
Diluted	B14	2.45	(4.59)	2.45	(4.59)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 31 MARCH 2021**

	Notes	<u>Unaudited</u> As at 31 Mar 2021 RM'000	<u>Audited</u> As at 31 Dec 2020 RM'000
ASSETS			
Non-Current Assets			
Investment in an associate		1,109	1,038
Property, plant and equipment		102,258	95,908
Right-of-use assets		26,935	27,412
Goodwill on consolidation		31,195	31,195
		<u>161,497</u>	<u>155,553</u>
Current Assets			
Inventories		35,993	38,828
Trade receivables		44,000	39,700
Other receivables, deposits and prepayments		4,192	5,232
Current tax assets		1,434	1,703
Fixed deposits with licensed banks		3,552	2,834
Cash and bank balances		7,827	8,845
		<u>96,998</u>	<u>97,142</u>
Total Assets		<u><u>258,495</u></u>	<u><u>252,695</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		61,421	59,381
Treasury shares		(262)	(1,843)
Reserves		40,986	37,808
Total Equity Attributable to Owners of the Company		<u>102,145</u>	<u>95,346</u>
Non-controlling interests		4,866	4,696
		<u>107,011</u>	<u>100,042</u>
Non-Current Liabilities			
Long-term borrowings	B10	47,891	49,343
Deferred taxation		2,835	2,838
		<u>50,726</u>	<u>52,181</u>
Current Liabilities			
Trade payables		29,355	36,895
Other payables and accruals		22,433	19,651
Tax payables		14	-
Short-term borrowings	B10	37,555	36,532
Bank overdraft		11,401	7,394
Redeemable convertible preference shares		-	-
		<u>100,758</u>	<u>100,472</u>
Total Liabilities		<u>151,484</u>	<u>152,653</u>
Total Equity and Liabilities		<u><u>258,495</u></u>	<u><u>252,695</u></u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		0.93	0.89

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021**

	3 Months Ended 31 Mar 2021 RM'000	3 Months Ended 31 Mar 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	3,410	(5,291)
Adjustments for:		
Depreciation and amortisation	2,127	2,011
Property, plant and equipment written off	-	129
Amortisation of right-of-use asset	876	929
Interest expense	1,079	1,330
(Gain) on foreign exchange - unrealised	(760)	(1,087)
Share of results of an associate	(73)	90
(Gain) on disposal of property, plant and equipment	(146)	-
Interest income	(17)	(17)
Inventories written down	143	-
Operating profit before working capital changes	6,639	(1,906)
Net changes in inventories	2,691	83
Net changes in trade and other receivables	(2,410)	81
Net changes in trade and other payables	(5,626)	2,953
CASH FLOWS FROM OPERATIONS	1,294	1,211
Tax paid	(273)	(293)
NET CASH FROM OPERATING ACTIVITIES	1,021	918
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	17	17
Decrease / (Increase) in pledged of fixed deposits with licensed bank	(705)	547
Proceeds from disposal of property, plant and equipment	155	-
Purchase of property, plant and equipment	(6,895)	(686)
Purchase of right-of-use asset	(41)	(273)
Proceeds from sales of treasury shares	3,621	-
NET CASH FOR INVESTING ACTIVITIES	(3,848)	(395)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021 - CONTINUED**

	3 Months Ended 31 Mar 2021 RM'000	3 Months Ended 31 Mar 2020 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(1,079)	(1,321)
Net repayment of term loan	(2,597)	(1,889)
Net drawdown of multi currency trade loan	143	1,234
Net drawdown of invoice financing	2,374	1,563
Drawdown of bankers' acceptance	9,903	5,779
Repayment of bankers' acceptance	(8,608)	(7,191)
Net repayment of revolving credit	(1,288)	(890)
Repayment of lease liabilities	(1,270)	(745)
NET CASH FOR FINANCING ACTIVITIES	(2,422)	(3,460)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,249)	(2,937)
Effect of changes in exchange rates	224	(638)
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	1,451	(1,594)
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	(3,574)	(5,169)

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

	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Fixed deposits with licensed banks	3,552	2,788
Cash and bank balances	7,827	7,823
Less: Bank overdrafts	(11,401)	(12,992)
Less: FD pledged to licensed banks	(3,552)	(2,788)
	(3,574)	(5,169)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021**

	←		Non-Distributable			→		Total Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Shares Option Reserve	Redeemable Convertible Preference Shares ("RCPS")	Foreign Exchange Translation Reserve	Retained Earnings	RM'000			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2021	59,381	(1,843)	2,450	-	1,830	33,528	95,346	4,696	100,042	
Profit for the period	-	-	-	-	-	2,688	2,688	170	2,858	
Other comprehensive income:										
- Foreign currency translation - differences	-	-	-	-	490	-	490	-	490	
- Share of an associate's other comprehensive income	-	-	-	-	-	-	-	-	-	
Contributions by and distributions to owners of the Company:										
- Issuance of shares under the ESOS	-	-	-	-	-	-	-	-	-	
- Conversion of treasury share to share capital	-	-	-	-	-	-	-	-	-	
- Share options to employees	-	-	-	-	-	-	-	-	-	
- Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	
- Employee' share options reserve	-	-	-	-	-	-	-	-	-	
- Resale of treasury shares	2,040	1,581	-	-	-	-	3,621	-	3,621	
As at 31 March 2021	61,421	(262)	2,450	-	2,320	36,216	102,145	4,866	107,011	

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2021 - CONTINUED**

	←		Non-Distributable			→		Total Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Shares Option Reserve	Redeemable Convertible Preference Shares ("RCPS")	Foreign Exchange Translation Reserve	Retained Earnings				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 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	-	-	-	-	-	-	-	-	-	
Contributions by and distributions to owners of the Company:										
- Conversion of treasury share to share capital	-	-	-	-	-	-	-	-	-	
- Share options to employees	-	-	-	-	-	-	-	-	-	
- Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	
- Employee' share options reserve	-	-	-	-	-	-	-	-	-	
- Resale of treasury shares	-	-	-	-	-	-	-	-	-	
As at 31 March 2020	45,643	(1,843)	2,450	13,738	2,219	26,481	88,688	5,135	93,823	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020. 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 2020.

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 2020.
- (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 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
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

A2. Seasonality or Cyclical Factors

The Group's operations experience certain seasonality or cyclical factors 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, the Group increased its issued and paid up share capital (excluding share premium) from RM59,380,836 as at 31 December 2020 to RM61,420,912 as at 31 March 2021 through the resale of 2,652,400 treasury shares.

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 March 2021				
Revenue				
- sales to external parties	59,244	5,819	-	65,063
- inter-segment sales	124	-	(124)	-
Total revenue	59,368	5,819	(124)	65,062
Segment results	4,671	(168)	(13)	4,490
Finance costs				(1,079)
Profit before taxation				3,410

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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 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	5,798
Finance costs				(1,161)
Profit before taxation				4,637

Preceding Year Corresponding Quarter

	Malaysia RM'000	Vietnam RM'000	Elimination RM'000	Consolidated 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)

(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 March 2021.

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.

A11. Capital Commitments

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

	<u>Unaudited</u> 31 Mar 2021 RM'000	<u>Audited</u> 31 Dec 2020 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	9,465	7,081

A12. Related Party Transactions

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

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Transaction with related parties:				
Purchase of components	463	381	463	381
Rental of premises	45	45	45	45
Technical fee	-	33	-	33
Sales of goods	528	203	528	203
Research and development	73	109	73	109
Rental of hostels	7	7	7	7

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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 2021**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 Months Ended 31 Mar 2021 RM'000	3 Months Ended 31 Mar 2020 RM'000	Changes %	3 Months Ended 31 Mar 2021 RM'000	3 Months Ended 31 Mar 2020 RM'000	Changes %
Revenue	65,062	37,467	73.7	65,062	37,467	73.7
Operating Profit / (Loss)	4,416	(3,871)	214.1	4,416	(3,871)	214.1
Profit / (Loss) Before Interest and Tax	4,489	(3,961)	213.3	4,489	(3,961)	213.3
Profit / (Loss) Before Tax	3,410	(5,291)	164.4	3,410	(5,291)	164.4
Profit / (Loss) After Tax	2,858	(5,288)	154.0	2,858	(5,288)	154.0
Profit / (Loss) Attributable to Owners of the Company	2,688	(4,917)	154.7	2,688	(4,917)	154.7
EBITDAF	6,496	(1,906)	440.8	6,496	(1,906)	440.8

i. Quarter Ended 31 March 2021 compared to Quarter Ended 31 March 2020

In contrast to the uncertainty of the mandatory lockdown situation of the first quarter of last year, the first quarter of 2021 represents a rather different picture with revenue numbers showing a continuation of the momentum of the fourth quarter. We saw good demand visibility from our customers which allowed us to ship out fairly decent volume but it was nonetheless not without its challenges as the incidences of Covid-19 cases have resumed its upward trend and this necessitated stricter compliance with health and safety SOPs. Another aspect of the pandemic disruption was the pressure on the supply chain and logistics issues as supply of raw materials become tighter and this has resulted in limited availability, longer lead time and price rises of the raw materials. Continuous shortage of containers adds to the litany of woes, but these challenges can be described as cyclical and hopefully it can revert to more normalised over time.

However, one aspect of supply side constraint that may be longer term in nature is the inadequate supply of workers to operate on the floor of the manufacturing plants. As without adequate supply of workers, we cannot optimise on the sales opportunities and this may be a longer term constraint to a growth. Investment in automated processes and automation machinery is constantly being undertaken but the workerless factory is still an utopian dream for the time being.

Revenue for the first quarter of 2021 came in at RM65.1mil which is a very strong improvement of some 73.7% from the RM37.5mil of the first quarter of the last year. This was despite the plant in Vietnam facing a very disrupted operating as the Lunar New Year saw a long shutdown which was then followed by a spike in the incidence of Covid-19 cases in Vietnam forced a local lockdown in the vicinity of our facility. As for the other facilities, a combination of hard work and careful planning allowed the other plants to compensate for their local level disruption and for the below budget performance of Vietnam.

Profit before tax of RM3.41mil for this quarter was a significant improvement over the loss of RM5.29mil recorded in the first quarter of last year as higher revenue meant a better absorption of overhead and hence the positive impact on the bottom line. While profits were higher, margins continues to be something that management have to fight for very diligently as all manner of cost increases is being felt in the whole of the supply side of the equation and this may well be the nature of the business in the coming years. Margin recovery efforts are being instituted gradually in order to protect the business. In the meantime, with the higher revenue and the subsequent higher profits, cashflow from operations saw a corresponding improvement as EBITDAF came in at RM6.50mil another huge improvement from the negative number of RM1.91mil last year.

This improved cashflow is very much welcomed as the management continues to manage down the liabilities side of the balance sheet and optimises on the financial footing of the company of the Group. Gearing levels are at manageable levels and so are debt servicing ratios, the relationship with bankers continues to be constructive and supportive.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****B2. Variation of Results Against Preceding Quarter**

	<u>INDIVIDUAL QUARTER</u>		Changes %
	3 Months Ended 31 Mar 2021 RM'000	3 Months Ended 31 Dec 2020 RM'000	
Revenue	65,062	70,488	(7.7)
Operating Profit	4,416	4,807	(8.1)
Profit Before Interest and Tax	4,489	5,797	(22.6)
Profit Before Tax	3,410	4,636	(26.4)
Profit After Tax	2,858	4,413	(35.2)
Profit Attributable to Owners of the Company	2,688	4,367	(38.4)
EBITDAF	6,496	8,062	(19.4)

The preceding quarter set a very high benchmark for the Group as it was the highest ever quarterly sales figure. Nevertheless, at RM65.1mil, the current quarter saw a drop of only 7.7% in comparison to the preceding quarter, a very commendable effort as generally fourth quarter is the busiest quarter of the year and the first quarter is usually a much quieter quarter.

Unlike previous years, the momentum of the fourth quarter continued into the first quarter of this year as generally principals in developed countries looked to re stock their business and with the momentum of the stronger order flows continuing and the production sides ability to overcome the supply side challenges, this first quarter sales was also a record breaking quarter.

B3. Prospects of the Group

Once again the narrative for the outlook for the Group continues to echo that of previous quarters and that is the situation with Covid-19. The ability of the Western countries to control their infection rate and allow a resumption of normal social and economic freedom will determine the order flows to our Group, meanwhile at our side, the ability of our government to control the spread of infections within the community will help to keep our plants running in order to fulfil the demand from our customers. We look forward with cautious optimism to the magic of modern science in the rollout of vaccines but slightly fearful of the slow vaccination rates of the South East Asian countries as good orders without the means of production is an exercise in futility as orders cannot be translated into sales.

The nature of the order flow with subtle changes in demand patterns and operational requirements have necessitated incremental capital expenditure and we like to report that the clean room and control room facility in Johor Bahru (JB) have now been handed over, while the Penang plant will also shortly be seeing the completion of their renovations too. Notwithstanding the restrictions of travel, there have been a steady flow of customer enquiries and management is optimistic that these facilities will be able to attract a different segment of customer to allow for better diversification of our customer base. The momentum of JB metal facility continues on as it is seeing better sales enquiries and have in fact have been able to convert some of those enquires into orders, it will gradually build up a better sales mix and also a more consistent loading of the plant and machineries.

Once again a delicate balance ensues between the availability of orders on hand against that of the supply side constrains. The binary nature of some of these supply side risk is difficult to mitigate but thankfully the strong sales of the past three quarters have given the Group a much chance to improve its balance sheet and restored the ratios somewhat. Our banking relationships continues to be strong and supportive and this will help to mitigate any unforeseen disruptions from the supply side.

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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 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	555	-	555	-
Deferred tax	(3)	(3)	(3)	(3)
Tax expenses / (income)	<u>552</u>	<u>(3)</u>	<u>552</u>	<u>(3)</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.

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>	<u>Audited</u>
	31 Mar 2021	31 Dec 2020
	RM'000	RM'000
Short term borrowings:		
Bankers' acceptance	10,004	8,709
Term loans	9,971	11,165
Revolving credit	3,971	5,220
Multi currency trade loan	3,551	3,408
Invoice Financing	5,788	3,414
	<u>33,285</u>	<u>31,916</u>
Long term borrowings:		
Term loans	39,140	40,152
	<u>39,140</u>	<u>40,152</u>
Lease liabilities		
Current liabilities	4,270	4,616
Non-Current Liabilities	8,751	9,191
	<u>13,021</u>	<u>13,807</u>
	<u>85,446</u>	<u>85,875</u>

GE-SHEN CORPORATION BERHAD

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS
(CONTINUED)****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 March 2021.

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

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Mar 2021</u>	<u>31 Mar 2020</u>	<u>31 Mar 2021</u>	<u>31 Mar 2020</u>
Profit / (Loss) attributable to ordinary shareholders (RM'000)	2,688	(4,917)	2,688	(4,917)
	<u>2,688</u>	<u>(4,917)</u>	<u>2,688</u>	<u>(4,917)</u>
Weighted average number of shares in issue ('000)*	109,579	76,927	109,579	76,927
Basic EPS (Sen)	<u>2.45</u>	<u>(6.39)</u>	<u>2.45</u>	<u>(6.39)</u>

Diluted earnings / (loss) earnings per share

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Mar 2021</u>	<u>31 Mar 2020</u>	<u>31 Mar 2021</u>	<u>31 Mar 2020</u>
Profit / (Loss) attributable to ordinary shareholders (RM'000)	2,688	(4,917)	2,688	(4,917)
Interests on RCPS (RM'000)	-	9	-	9
	<u>2,688</u>	<u>(4,908)</u>	<u>2,688</u>	<u>(4,908)</u>
Weighted average number of shares in issue ('000)*	109,579	76,927	109,579	76,927
Weighted average number of new ordinary shares, assumption on conversion of the remaining:-				
- RCPS ('000)	-	30,000	-	30,000
	<u>109,579</u>	<u>106,927</u>	<u>109,579</u>	<u>106,927</u>
Diluted EPS (Sen)	<u>2.45</u>	<u>(4.59)</u>	<u>2.45</u>	<u>(4.59)</u>

Note:

* Upon deducting 439,600 (2020: 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.

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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 2020 was not subject to any qualification.

B16. Notes to the Statement of Comprehensive Income

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) before taxation is arrived at after crediting:				
Interest income	(17)	(17)	(17)	(17)
Gain / (Loss) on foreign exchange				
- realised	8	(113)	8	(113)
- unrealised	938	(1,444)	938	(1,444)
Gain on disposal of property, plant and equipment	(146)	-	(146)	-
and after charging:				
Depreciation and amortisation	3,003	2,940	3,003	2,940
Interest expenses	1,079	1,330	1,079	1,330
(Gain) / Loss on foreign exchange				
- realised	199	351	199	351
- unrealised	178	357	178	357
Property, plant and equipment written off	-	129	-	129
Inventories written down	143	-	143	-

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.